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National Energy
Board



Office national
de l'énergie

31 January 2004

Government
Publication

Regulatory Agenda

The period covered in this Regulatory Agenda is the month of January 2004

Focus on Safety 2000-2002 A Comparative Analysis of Pipeline Safety Performance

On 29 January, the Board released a report entitled *Focus on Safety 2000-2002 – A Comparative Analysis of Pipeline Safety Performance*. The report provides details on the safety performance of NEB-regulated oil and gas pipelines for the calendar years 2000, 2001 and 2002. The data is limited to companies regulated under the *National Energy Board Act*

and does not include performance indicators on pipelines carrying anything other than hydrocarbon liquids or natural gas. The report is available on the Board's web site at www.neb-one.gc.ca under *Safety and Environment, Safety Performance Indicators – Index*.

Public Hearing Applications

Hearing Completed

1. Sumas Energy 2, Inc. (SE2) - International Power Line (IPL) - EH-1-2000 (File 2200-S040-1)

The Board held a public hearing on an application from SE2 to construct a 230 kilovolt IPL originating in the United States and crossing the international boundary near Abbotsford, British Columbia. The public hearing was held from 18 January 2001 to 23 September 2003 (39 days) in Abbotsford. Sequence of events from January 2001 to September 2003:

- 18 to 20 January 2001 – Public hearing on preliminary matters and motions
- 19 February 2001 – Public hearing commenced. At the request of SE2, the hearing was adjourned
- 4 June 2002 – SE2 requested that the Board reconvene the public hearing
- 18 to 23 October 2002 – Hearing on preliminary motions
- 26 May to 11 July 2003 – Hearing of

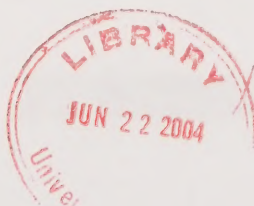
In This Issue

Preface

The purpose of this agenda is-to-provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is-exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as-amended.

"We promote Safety,
Environmental Protection and
Economic Efficiency"

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Canada

evidence, oral presentations and some arguments

- 11 July 2003 – Hearing adjourned until 15-September
- 15 to 23 September 2003 – Hearing of final arguments and reply argument
- 23 September 2003 – Hearing closed.

On 30 December, the Board issued, pursuant to the *Canadian Environmental Assessment Act*, its Environmental Screening Report for public examination and comments.

Hearing Scheduled

1. *Westcoast Energy Inc. (WEI) – 2004 Tolls (File 4200-W005-16)*

The Board will hold a public hearing commencing on 17 May, at a location to be announced at a later date, on an application by WEI for approval of 2004 tolls for mainline transmission service in Zones 3 and 4 for the period 1 January to 31 December 2004.

WEI estimates the cost of service for 2004 to be approximately \$264.8 million, compared to the forecast of the 2003 cost of service of approximately \$245.7 million, reflecting an increase of approximately \$19.1 million. The increases in the typical tolls for each of Zones 3 and 4 would be approximately 1.6 and 11.4 per cent, respectively.

As part of its consideration of the application, the Board held a pre-hearing conference led by Board staff on 29 January to discuss:

- which issues need to be addressed to dispose of the application and why, and
- the appropriate process and timing to deal with these issues.

Among other things, the Board was interested in determining whether parties believe that all the issues are best addressed through a public hearing, or whether some issues may be addressed through an alternative process with the involvement of the Board staff.

Hearing Application Filed

1. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls (File 4200-T001-19)*

On 26 January, TCPL applied for approval of new tolls it may charge on its Mainline system for the period 1 January to 31 December 2004.

TCPL has forecasted a 2004 average rate base of \$8,214 million and a net revenue requirement of \$1,764 million, a decrease of approximately \$128 million over the 2003 net revenue requirement. TCPL has proposed changes to the Mainline's cost of capital and requested approval of a rate of return on common equity of 11.00 per cent on a deemed common equity ratio of 40 per cent. The Eastern Zone Toll calculated in the application effective 1 January 2004 is \$1.212 per gigajoule, which compares with the 2003 toll of \$1.195 per gigajoule and the 2004 interim toll of \$1.222 per gigajoule

TCPL has also proposed a Fuel Gas Incentive Program, the establishment of a new Non-Renewable Firm Transportation Service and modifications to its existing Short-Term Firm Transportation Service.

The Board will announce at a later date the procedures to deal with the application.

Non Hearing Applications

Electricity Matters

Matters Pending

1. *New York Power Authority (NYPA) – Electricity Export (File 6200-N100-1)*

On 24 September and 3 December, NYPA applied for permits to export up to 500 megawatts and 2-000 gigawatt-hours of combined firm and interruptible energy per year for a period of 10-years.

2. *Teck Cominco Metals Ltd. (Teck) – Electricity Export (File 6200-T096-2)*

On 24 October, Teck applied for permits for export transfers of up to 3 500 gigawatt hours of firm and interruptible energy per year and up to 250 gigawatt hours of firm carrier transfer energy per year for a period of 10 years.

Frontier Matters

1. *Paramount Resources Ltd.* was given approval on 13 January to drill wells Cameron B-38, F-19, K-19, and O-19 pursuant to section 83.(1) of the *Canada Oil and Gas Drilling Regulations* (COGDR). Paramount was also given approval On 26 January of a *Well Termination Record* for the well Cameron A-05 pursuant to section 203.(1) of the COGPR.
2. *Apache Canada Ltd.* was given approval on 14-January to drill wells West Nogha K-14 and Tunago Lake E-44 pursuant to section 83.(1) of the COGDR.
3. *Anadarko Canada Corporation* was given approval on 21 January to alter the condition of well Arrowhead River F-56 pursuant to section 203.(1) of the COGPR.

Pipeline Matters

Matters Completed

1. Section 58 Applications

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

2. *Williams Energy Canada Pipeline Inc. (Williams) – Sale of a Pipeline (File 3200-W070-2)*

On 16 January, the Board approved an application dated 30 September in which Williams advised the Board that Provident Energy Ltd. had purchased all of the shares in Williams and that the name of the company would be subsequently changed from Williams Energy (Canada) Pipeline, Inc. to Provident Energy Pipeline Inc. The pipeline in question is the Taylor to Boundary Lake natural gas liquid pipeline consisting of approximately 58-kilometres of pipeline originating at a straddle plant near Taylor, British Columbia and connecting to a metering facility at Boundary Lake, Alberta. (Orders AO-5-OC-43 and MO-01-2004)

Matter Under Consideration

3. *Express Pipeline Ltd. (Express) – Capacity Expansion (File 3400-T092-7)*

On 23 December, Express applied for approval to construct three intermediate pump stations and two barrel tanks. Express also proposes the change-out of impellers at existing pump stations.

The expansion would increase capacity of the Express Pipeline by approximately 17 600 cubic metres (108 000 barrels) per day to a capacity of approximately 44 900 cubic metres (280-000-barrels) per day, depending on the characteristics of the petroleum transported

Each of the two tanks, to be constructed at the Hardisty Terminal, would be sized at 24 000 cubic metres (150 000 barrels). The pump stations would be located at Station 2 (Ribstone Creek), Station 4 (Jenner) and Station 6 (Peace Butte). Express proposes to start construction in June 2004 and the proposed in-service date is March of 2005. The estimated cost of the Expansion is \$45.6 million.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. *TransCanada PipeLines Limited (TCPL) – Seventh Report of the 2003 Tolls Task Force (4775-T001-1/03-6)*

On 13 January, the Board approved Resolution 07.2003 of the 2003 Tolls Task Force proposing the termination of the Multiple Handshakes and Pooling Service and the incorporation of “no cost” title transfers as a feature of transportation services.

2. *Westcoast Energy Inc. (WEI) – 2004 Interim Tolls (File 4200-W005-11)*

On 1 December, WEI applied for approval of interim tolls for mainline transmission service in Zones 3 and 4 for the period 1 January to 31 December 2004.

On 11 December, the Board decided that the tolls for 2003 will apply on an interim basis effective 1-January 2004 until such time as the Board has obtained and considered the comments of interested parties regarding the interim tolls application. (Order TGI-6-2003)

The Board has considered the submissions of interested parties and WEI. Parties commented that a significant portion of the proposed adjustments to the 2003 revenue requirement represent changes in accounting methodology, which need to be tested. The Board agreed that these amounts, which involve discretionary changes in methodology, should not be included in interim tolls without a process for testing the underlying assumptions.

On 22 January, the Board decided not to amend Toll Order TGI-6-2003.

Matters Pending

3. *Foothills Pipe Lines Ltd. (Foothills) on behalf of Foothills Pipe Lines (Alta.) Ltd., Zones 6 and 7 Foothills Pipe Lines (South B.C.) , Zone 8 and Foothills Pipe Lines (Sask.) Ltd., Zone 9 - Year 2004 Operating and Maintenance Expense Budgets (File 4750-F006-1)*

On 1 December, Foothills applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 2004.

On 18 December, the Board advised Foothills that before making a final decision on the applied-for

budgets, it wished to consider Foothills' actual 2003 costs and any variances from the amounts approved for 2003, both due to be filed with the Board by the end of February 2004. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 2004 equal to 50-per cent of the budgets submitted.

4. *TransCanada PipeLines Limited, BC System (TCPL) – Statement of Interim Rates and Charges Effective 1 January 2004 and Amendments to the Gas Transportation Services Documents Tariff (GTSD) (File 4775-T054-2004-1)*

On 15 December, TCPL applied for Interim Rates and Charges effective 1 January 2004 and amendments to the GTSD. TCPL proposed Firm Service Rates for 2004 to be 6.484 cents per gigajoule compared to 7.251 cents per gigajoule in 2003. The amendments to the GTSD are for a new Short-Term Firm Service when capacity is available.

On 30 December, the Board decided that the BC System Interim Rates and Charges should reflect a reduction in the revenue requirement of \$558 000 from the applied for level pending the Board's approval of the final Effective Rates and Charges for 2004.

5. *TransCanada PipeLines Limited (TCPL) – Mainline Open Season, Complaints – North Bay Junction (File 4775-T001-1-12)*

Several complaints were received by TCPL and the Board concerning TCPL's approach to its Mainline Open Season announced on 17 July. In its Open Season, TCPL offers service from receipt points that are not listed in its Tariff.

On 15 September, TCPL applied for approval to establish the North Bay Junction as a new receipt and delivery point and for approval of the associated tolls for services to and from this point. On 26 September, the Board decided to hold a facilitated workshop to discuss the issues raised in the aforementioned letters of complaint. The Board held the workshop on 23 October and the Facilitator's Report was issued on 13 November.

On 14 November, the Board decided to stay the processing of the application until such time as TCPL files sufficient information to address the broader toll design issues. The Board will then determine whether to consider the application and the related information in a stand-alone proceeding or in conjunction with a future application.

Appeals and Reviews

Appeals

Appeals Pending

1. *TransCanada PipeLines Limited (TCPL) – NEB Decision RH-R-1-2002*

On 21 March, TCPL applied to the Federal Court of Appeal for leave to appeal the Board's RH-R-1-2002 Decision issued on 20 February 2003. In this Decision, the NEB dismissed TCPL's September 2002 request for a Review and Variance of the Board's June 2002 RH-4-2001 Decision on the company's Fair Return application. In May, the Federal Court of Appeal granted TCPL leave to appeal.

The Court will hear the appeal commencing on 16 February in Toronto, Ontario.

2. *Natural Gas Steering Committee (NGSC) – Application for Leave to Appeal the 2003 NEB Decision Relating to Westcoast Energy Inc. (WEI) Final 2003 Toll*

The NGSC has applied to the Federal Court of Appeal for leave to appeal the Board's Decision dated 27 November 2003 regarding an application from WEI for approval of final tolls for 2003. The NGSC asked the Federal Court for a stay of the application pending the determination of the review application discussed below in item 4.

Reviews

Reviews Pending

3. *City of Hamilton – Judicial Review - Trans-Northern Pipeline Inc. (TNPI) – Pipeline Replacement and Lowering in Hamilton, Ontario – OHW-1-2003*

On 18 August, the City of Hamilton filed a Notice of Application for Judicial Review with the Federal Court of Appeal. The Notice seeks, among other things, a declaration that the *Canadian Environmental Assessment Act* (CEA Act) does not apply to the TNPI application and that no environmental screening is or was required to be carried out by the Board under the CEA Act in respect of the application.

The Board filed with the Court a Notice of Appearance. The Application has been put into abeyance until 30 days after the Board's decision on the TNPI application as a result of a consent motion to the court.

4. *Natural Gas Steering Committee (NGSC) – Application to Review the Board's Decision Relating to Westcoast Energy Inc. (WEI) Final 2003 Toll*

On 24 December, the NGSC asked the Board to review its WEI 2003 Final Tolls Decision of 27 November 2003 and to amend Order TG-7-2003 to require WEI to include the full benefit of the 2003 Overhead During Construction (ODC) tax adjustment in the 2003 tolls. The NGSC also requested that the Board establish a review process to review the treatment of indirect ODC deductions in the 1997 to 2001 toll orders.

The NGSC submits that the Board made errors in reaching its decision in that it:

- (a) erred in law when it applied the terms of the 1997-2001 Settlement to the 2003 ODC adjustments;
- (b) erred in not finding that the 2003 ODC adjustments, although not resulting in a reassessment, arose from reassessments of the taxes payable for years prior to 2003 such that either the 1997-2001 Settlement or the 2002-2003 Settlement oblige WEI to credit the full benefit to the account of shippers; and
- (c) erred in not responding to the NGSC request that the Board review the 1997 to 2001 tolling decisions to ensure the correct and current information on the 1997-2001 ODC Adjustments was taken into account by the Board or, if taken into account, in not indicating so in its decision.

The NGSC requested that the Board grant the following relief:

- (a) amend Board Order TG-7-2003 to require WEI to include the full benefit of the 2003 ODC Adjustments in the 2003 tolls; and
- (b) establish a review process to review the treatment of indirect ODC deductions in the 1997-2001 toll orders.

On 15 January, the Board decided to solicit comments from interested parties on whether a review should be conducted. The Board also requested that interested parties comment on the process that should be followed in the event the Board decides to proceed with a review, in whole or in part. Comments from interested parties were due on 23 January and comments from WEI were due on 30 January. NGSC has until 5 February to file its reply.

Amendments to Regulations and Guidelines

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Guidelines for Filing Requirements, 1995 (GFR)*

On 2 December, the Board provided an opportunity for the public to review the final draft of the *NEB Filing Manual* (formerly called the Guidelines for Filing Requirement, 1995). Comments must be received at the Board by 23 January 2004. The final Filing Manual will be released by the end of March 2004.

In September 2003, the Board invited comments on six draft sections of the document. The Board is currently using this input to prepare a complete draft document. Originally, the Board planned to release the final Filing Manual in December 2003. However, the Board has been very pleased with the progress of the review project and believes that public review of the draft document would strengthen the final product.

2. *National Energy Board Pipeline Crossing Regulations, Part I and Part II - Damage Prevention Regulations*

On 14 November, the Board sought comments from the public on the *Draft Guidance Notes for the National Energy Board Damage Prevention Regulations*. The document contains the draft legal text of the Board's proposed *Damage Prevention Regulations* and the proposed guidance. The deadline for written comments is 31 March 2004.

The Board intends to replace the existing *Pipeline Crossing Regulations, Part II* with regulations targeted at damage prevention (to be known as *Damage Prevention Regulations*). The Board has been held meetings with stakeholders and plans to continue consultation with interested persons by holding focus meetings and open houses at various locations across Canada.

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

3. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. *The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations*

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

5. *The Canada Oil and Gas Geophysical Operations Regulation (Regulations)*

The Regulations are being amended in order to satisfy concerns raised by the Standing Joint Committee for the Scrutiny of Regulations and to reflect advances in electronic data storage and communications. Some of the changes are designed to render provisions of the Regulations consistent in both official languages and to reflect changes made since the adoption of the *Department of Canadian Heritage Act*.

Regulatory Initiatives Pursuant to the *Canada Labour Code*

6. *Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II*

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 - Fax: (403) 292-5503.

Applications - Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Submit a Document*.

Communication Numbers

General Information:

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1-800-899-1265

Publications Office:

Telephone: (403) 299-3562
Telecopier: (403) 292-5576
Email: publications@neb-one.gc.ca

Web Site:

www.neb-one.gc.ca

Telephone Numbers:

For a current list of the telephone numbers of Board Members and key staff, see our Internet site under the heading: *About Us, Our People*.

National Energy Board
Michel L. Mantha
Secretary

For information:

Denis Tremblay, Communications Officer
Telephone: (403) 299-2717
Email: dtremblay@neb-one.gc.ca

Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Alliance Pipeline Limited	File : 3400-A159-16 Order : XG-A159-02-2004	Application dated 17 December; approved on 20 January. Install the Smoky Meter Station and interconnecting piping 90 kilometres southeast of Grande Prairie, Alberta.	1 280 000
TransCanada PipeLines Limited	File: 3400-T001-227 Order: XG-T001-01-2004	Application dated 24 October; approved on 20 January. Decommission 12 Compressor Plants.	27 611 000
Westcoast Energy Inc.	File : 3400-W005-314 Order : XG-W005-03-2004	Application dated 24 November; approved on 23 January. Install an inlet flowmeter on the Sulphur Pipeline within the Pine River Gas Plant.	30 000
	File: 3400-W005-316 Order: XG-W005-04-2004	Application dated 19 December; approved on 28 January. Construct an armoured channel on the Buckinghorse River at km 67 of N2L1.	200 000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil,

natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this Regulatory Agenda is the month of February 2004

Public Hearing Applications

Hearing Decision Issued

1. Sumas Energy 2, Inc. (SE2) - International Power Line (IPL) - EH-1-2000 (File 2200-S040-1)

The Board has denied an application by SE2 to construct the Canadian portion of an 8.5 kilometre IPL originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia. The IPL would have permitted SE2 to transport electricity from a proposed Power Plant to be constructed in Sumas to BC Hydro's substation.

The Board decided that it was unable to come to the conclusion that the IPL would be in the Canadian public interest and would be required for the present and future public convenience and necessity. After identifying and weighing the benefits and burdens in Canada of the proposed IPL and Power Plant, the Board concluded that, on balance, the burdens of the IPL outweigh the benefits.

The Board determined that the benefits of the IPL and Power Plant even if they were all realized would not be substantial benefits to Canadians, or to the local and regional communities.

The Board found that the burdens in Canada associated with the IPL and Power Plant would be numerous and real. Most would be borne almost entirely by the local and regional communities, whereas the benefits would be either external to these communities or negligible in value.

The Board considered the application during 39 days of public hearing held in Abbotsford.

Hearing Scheduled

1. Westcoast Energy Inc. (WEI) - 2004 Tolls (File 4200-W005-16)

The Board will hold a public hearing commencing on 17 May in Calgary, Alberta on an application by WEI for approval of 2004 tolls for mainline transmission service in Zones 3 and 4 for the period 1 January to 31 December 2004.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c.N-7, as amended.

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**"We promote Safety,
Environmental Protection and
Economic Efficiency"**

WEI estimates the cost of service for 2004 to be approximately \$257.3 million, compared to the forecast of the 2003 cost of service of approximately \$247.3 million, reflecting an increase of approximately \$10.0 million. The typical 2004 toll for long haul service in Zone 3 would decrease by 2.2 per cent over that of 2003 whereas the typical toll for Zone 4 would increase by 8.2 per cent.

Hearing Application Filed

1. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls (File 4200-T001-19)*

On 26 January, TCPL applied for approval of new tolls it may charge on its Mainline system for the period 1 January to 31 December 2004.

TCPL has forecasted a 2004 average rate base of \$8,214 million and a net revenue requirement of \$1,764 million, a decrease of approximately \$128 million over the 2003 net revenue requirement. TCPL has proposed changes to the Mainline's cost of capital and requested approval of a rate of return on common equity of 11.00 per cent on a deemed

common equity ratio of 40 per cent. The Eastern Zone Toll calculated in the application effective 1 January 2004 is \$1.212 per gigajoule, which compares with the 2003 toll of \$1.195 per gigajoule and the 2004 interim toll of \$1.222 per gigajoule

TCPL has also proposed a Fuel Gas Incentive Program, the establishment of a new Non-Renewable Firm Transportation Service and modifications to its existing Short-Term Firm Transportation Service.

On 11 February, the Board decided, prior to establishing a formal procedure, to seek initial input from interested persons on any procedural or timing concerns that they feel should be considered by the Board in preparing a Hearing Order, including any potential impacts from either TCPL's Appeal of the RH-R-1-2002 Decision (see item 1 under *Appeals and Reviews*) or its outstanding North Bay Junction Application (see item 3 under *Traffic, Tolls and Tariffs Matter*). Interested persons had to file comments by 24 February and TCPL had until 27 February to file reply comments.

Non Hearing Applications

Electricity Matters

Matter Completed

1. *Teck Cominco Metals Ltd. (Teck) – Electricity Export (File 6200-T096-2)*

On 19 February, the Board approved an application dated 24 October from Teck for permits to export up to 3 500 gigawatt hours of firm and interruptible energy per year and up to 600 megawatt of power per year for a period of 10 years.

Matter Pending

1. *New York Power Authority (NYPA) – Electricity Export (File 6200-N100-1)*

On 24 September and 3 December, NYPA applied for permits to export up to 500 megawatts and 2 000 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

Frontier Matters

1. *Canadian Forest Oil Limited (CFOL) – Applications for Significant Discovery.* On 26 February, the Board decided not to issue to CFOL declarations of "Significant Discovery" pursuant to Part II.1, section 28.2 of the *National Energy Board Act* and Part IV, section 28 of the *Canada Petroleum Resources Act* with respect to the Cdn Forest et al Flett Rapids I-61 and Cdn Forest et al North Liard C-31, C31A and N-61 wells as applied for by CFOL in applications dated 21 January 2002 and 20 February 2002.
2. *Anadarko Canada Corporation* was given "Approval to alter the condition of a well" on 3 February for the well Arrowhead River K-35 pursuant to section 80.(1)(b) of the *Canada Oil and Gas Drilling Regulations* (COGDR).
3. *Apache Canada Ltd.* was given "Approval to alter the condition of a well" on 23 February for the well Para et al Nogha M-17 pursuant to section 80.(1)(b) of the COGDR. This well is now operated by Apache and is thus re-named Apache M-17.

4. **Anadarko Canada Corporation's** "Well Termination Record" for the well Arrowhead River F-56 was approved on 24 February pursuant to section 203.(1) of the GOGDR.
5. **Petro-Canada Oil and Gas** was given "Approval to drill a well" on 25 February pursuant to section 83.(1) of the COGDR for the well Tweed Lake M-47.
6. **Paramount Resources Ltd.** was given "Approval to alter the condition of a well" on 25 February for the well Cameron O-19 pursuant to section 80.(1)(b) of the COGDR.
7. **Anadarko Canada Corporation** was given "Approval to drill a well" on 26 February for the well Emile Lake A-77 pursuant to 83.(1) of the COGDR
8. **Paramount Resources Ltd.** was given "Approval to drill a well" on 26 February for the well Cameron C-16 pursuant to 83.(1) of the COGDR. Additionally, "Approval to alter the condition of a well" was granted on 27 February for the well Cameron F-19 pursuant to section 80.(1)(b) of the COGDR.
9. **Geological, geophysical or geotechnical operations** - two applications were approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act*.

Company	Area	Operation ID	Date
ENCANA Corporation	Mackenzie Delta NWT	9329-E043-004E	05 February 2004
Paramount Resources Ltd.	Cameron Hills NWT	9229-P033-009E	20 February 2004

Gas Matter

Matter Completed

1. **ProGas Limited (ProGas) – Amend Gas Sales Contract – Natural Gas Export Licence GL-178 (File 7200-P038-7-1)**

On 12 February, the Board approved an application dated 7 January from ProGas for amendments to the gas sales contract with Lockport Energy Associates, L.P.'s (Lockport) underpinning natural gas exports under Licence GL-178. The amendment consists of a change to the Adjusted Base Price component of the commodity charge. Eliminate the ability to initiate an arbitration of the Adjusted

Base Price, and a revision that increases the minimum annual quantity from 75 to 85 per cent.

Under Licence GL-178, ProGas was authorized to export up to 340 000 cubic metres (12 million cubic feet) of natural gas per day to Lockport's cogeneration plant located in Lockport, New York.

Pipeline Matters

Matters Completed

1. **Section 58 Applications**

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matter Under Consideration

2. **Express Pipeline Ltd. (Express) – Capacity Expansion (File 3400-T092-7)**

On 23 December, Express applied for approval to construct three intermediate pump stations and two barrel tanks. Express also proposes the change-out of impellers at existing pump stations.

The expansion would increase capacity of the Express pipeline by approximately 17 600 cubic metres (108 000 barrels) per day to a capacity of approximately 44 900 cubic metres (280 000 barrels) per day, depending on the characteristics of the petroleum transported

Each of the two tanks, to be constructed at the Hardisty Terminal, would be sized at 24 000 cubic metres (150 000 barrels). The pump stations would be located at Station 2 (Ribstone Creek), Station 4 (Jenner) and Station 6 (Peace Butte). Express proposes to start construction in June 2004 and the proposed in-service date is March of 2005. The estimated cost of the Expansion is \$45.6 million.

Traffic, Tolls and Tariffs Matters

Matters Pending

1. *Foothills Pipe Lines Ltd. (Foothills) on behalf of Foothills Pipe Lines (Alta.) Ltd., Zones 6 and 7 Foothills Pipe Lines (South B.C.) , Zone 8 and Foothills Pipe Lines (Sask.) Ltd., Zone 9 - Year 2004 Operating and Maintenance Expense Budgets (File 4750-F006-1)*

On 1 December, Foothills applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 2004.

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Appeals and Reviews

Appeals

Appeals Pending

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On 21 March, TCPL applied to the Federal Court of Appeal for leave to appeal the Board's RH-R-1-2002 Decision issued on 20 February 2003. In this Decision, the NEB dismissed TCPL's September 2002 request for a Review and Variance of the Board's June 2002 RH-4-2001 Decision on the company's Fair Return application. In May, the Federal Court of Appeal granted TCPL leave to appeal.

The Court heard the Appeal from 16 to 18 February in Toronto, Ontario.

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Reviews

Reviews Pending

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On 18 August, the City of Hamilton filed a Notice of Application for Judicial Review with the Federal Court of Appeal. The Notice seeks, among other things, a declaration that the *Canadian Environmental Assessment Act* (CEA Act) does not apply to the TNPI application and that no environmental screening is or was required to be carried out by the Board under the CEA Act in respect of the application.

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The NGSC submits that the Board made errors in reaching its decision in that it:

- (a) erred in law when it applied the terms of the 1997-2001 Settlement to the 2003 ODC adjustments;
- (b) erred in not finding that the 2003 ODC adjustments, although not resulting in a reassessment, arose from reassessments of the taxes payable for years prior to 2003 such that either the 1997-2001 Settlement or the 2002-2003 Settlement oblige WEI to credit the full benefit to the account of shippers; and
- c) erred in not responding to the NGSC request that the Board review the 1997 to 2001 tolling decisions to ensure the correct and current information on the 1997-2001 ODC Adjustments was taken into account by the Board or, if taken into account, in not indicating so in its decision.

Amendments to Regulations, Rules and Guidelines

Regulatory Initiatives Pursuant to the National Energy Board Act

1. *Guidelines for Filing Requirements, 1995 (GFR)*

On 2 December, the Board provided an opportunity for the public to review the final draft of the *NEB Filing Manual* (formerly called the *Guidelines for Filing Requirement, 1995*). The final Filing Manual will be released by the end of March 2004.

2. *National Energy Board Pipeline Crossing Regulations, Part I and Part II - Damage Prevention Regulations*

On 14 November, the Board sought comments from the public on the *Draft Guidance Notes for the National Energy Board Damage Prevention Regulations*. The document contains the draft legal text of the Board's proposed *Damage Prevention Regulations* and the proposed guidance. The deadline for written comments is 31 March 2004.

The Board intends to replace the existing *Pipeline Crossing Regulations, Part II* with regulations targeted at damage prevention (to be known as *Damage Prevention Regulations*).

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

3. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. *The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations*

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

5. *The Canada Oil and Gas Geophysical Operations Regulation (Regulations)*

The Regulations are being amended in order to satisfy concerns raised by the Standing Joint Committee for the Scrutiny of Regulations and to reflect advances in electronic data storage and communications. Some of the changes are designed to render provisions of the Regulations consistent in both official languages and to reflect changes made since the adoption of the *Department of Canadian Heritage Act*.

Regulatory Initiatives Pursuant to the Canada Labour Code

6. *Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II*

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Pre-Application Meetings Guidance Notes (File 230-A000-2-6)

On 26 February, the Board issued its revised Pre-Application Guidance Notes. Pre-application meetings can contribute to more complete applications, thus facilitating the review process and improving cycle times. The Board invites applicants to consult the Guidance Notes if they plan to meet with Board staff prior to filing an application.

The Board decided in the fall of 2003 to review its existing guidelines for pre-application meetings. A draft document was sent to NEB regulated companies, interested parties and the Canadian Energy Pipeline Association requesting comments and suggestions. The Guidance Notes have been edited for clarity and to reflect the comments received by the Board during the consultation process on the draft. The Pre-Application Guidance Notes are available on the Board's Web site at www.neb-one.gc.ca.

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 - Fax: (403) 292-5503.

Applications - Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Submit a Document*.

Communication Numbers

General Information:

(403) 292-4800
1-800-899-1265

Publications Office:

Telephone: (403) 299-3562
Telecopier: (403) 292-5576
Email: publications@neb-one.gc.ca

Internet Site:

www.neb-one.gc.ca

Telephone Numbers:

For a current list of the telephone numbers of Board Members and key staff, see our Internet site under the heading: *About Us, Our People*.

National Energy Board
Michel L. Mantha
Secretary

For information:

Denis Tremblay, Communications Officer
Telephone: (403) 299-2717
Email: dtremblay@neb-one.gc.ca

Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Many Islands Pipe Lines (Canada) Limited	File: 3400-M029-37 Order: XG-M029-05-2004	Application dated 9 January; approved on 2 February. Construct a tie-in riser.	18 500
Maritimes and Northeast Pipeline Management Ltd.	File: 3400-M124-15 Order: XG-M124-07-2004	Application dated 12 January; approved on 19 February. Construct a Custody Transfer Station Facilities for Heritage Gas Limited.	1 000 000
TransCanadaPipeLines Limited	File: 3400-T001-228 Order: XG-T001-06-2004	Application dated 22 December; approved on 10 February. 2004 Cathodic Protection Program No. 1 in Ontario.	52 000
Westcoast Energy Inc.	File: 3400-W005-319 Order: XG-W005-09-2003	Application dated 28 January; approved on 24 February. Upgrade two pipe casing on the Fort Nelson Mainline.	80 000
	File: 3400-W005-318 Order: XG-W005-08-2004	Application dated 22 January; approved on 24 February. Replace a pure amine storage tank at the McMahon Gas Plant and upgrade pipe casings on the West Buick and Gundy Pipelines.	310 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Terasen Pipelines (Trans Mountain) Inc.	File: 3400-T099-8 Order: XO-T099-01-2004	Application dated 5 January; approved on 6 February. Mainline cut-outs; valve vault construction; permanent sleeve repairs; Hope Creek dyke upgrade.	4 018 000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources Development Canada to administer Part II of the *Canada Labour Code*.

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Office national de l'énergie
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Télécopieur : (403) 292-5503



Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of March 2004

Energy Market Assessment Natural Gas Prices In The Maritimes

On 29 March, the Board issued an Energy Market Assessment (EMA) report entitled *Natural Gas Prices in the Maritimes*.

The EMA provides pricing information in this developing market and a comparative analysis between domestic and export prices to assess the pricing and access of natural gas in the Canadian market. The EMA was developed as a result of a survey of wholesale natural gas prices carried out by the Board during December 2003 and includes information received from the domestic purchasers of natural gas in the region.

The comparison of the domestic and export prices found a very close linkage and consistency in pricing between domestic and export markets, and that Canadian buyers have historically had access

to gas at prices similar to export customers. The report also finds that reported prices for exports at St. Stephen, New Brunswick and other pricing information for United States pricing points can provide a reasonable indication of the average wholesale price in the domestic market.

The EMA is the result of commitments made by the Board to enhance its monitoring of the Maritimes natural gas market following a Board hearing held in Fredericton in the summer of 2002. While acknowledging that some natural gas buyers will continue to face considerable challenges in this market, the Board remains satisfied that the Maritime natural gas market continues to function well given its stage of development.

Public Awareness Workshop 2004

The Board will be holding its fifth Public Awareness Workshop for Buried Pipelines at the Queen Elizabeth Hotel in Montreal, Quebec from 26 to 28 September 2004. The Awareness Workshop

is a forum for industry to share its best public awareness practices related to damage prevention and emergency response.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c.N-7, as amended.

**"We promote Safety,
Environmental Protection and
Economic Efficiency"**

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Canada

A key goal of the Board is to ensure the safety of NEB regulated pipelines. These workshops are critical in achieving this goal and ensuring that Canadians are well prepared to live and work safely around pipelines.

Previous workshops were held in Calgary (1997), in Vancouver (1998), in Niagara Falls (2000) and in

Halifax (2002). For further information on those workshops visit the Board's Web site at www.neb-one.gc.ca under Safety and Environment.

For further information on the 2004 Workshop, please contact Stella Hiebert (shiebert@neb-one.gc.ca). Awareness 2004 Project Administrator or call (403) 299-2787 or call toll free: 1-800-899-1265.

Public Hearing Applications

Hearings Scheduled

1. *Westcoast Energy Inc. (WEI) – 2004 Tolls (File 4200-W005-16)*

The Board will hold a public hearing commencing on 17 May in Calgary, Alberta on an application by WEI for approval of 2004 tolls for mainline transmission service in Zones 3 and 4 for the period 1 January to 31 December 2004.

WEI estimates the cost of service for 2004 to be approximately \$257.3 million, compared to the forecast of the 2003 cost of service of approximately \$247.3 million, reflecting an increase of approximately \$10.0 million. The typical 2004 toll for long haul service in Zone 3 would decrease by 2.2 percent over that of 2003 whereas the typical toll for Zone 4 would increase by 8.2 percent.

2. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls (File 4200-T001-19)*

The Board will hold a two-phase public hearing on an application from TCPL for approval of new tolls it may charge on its Mainline system for the period 1 January to 31 December 2004. Phase I of the hearing will consider all issues raised by the 2004 Tolls Application, with the exception of Cost of Capital.

Phase I of the public hearing will commence on 14 June in Ottawa, Ontario. Procedures for Phase II of the hearing will be announced at a later date.

TCPL has forecasted a 2004 average rate base of \$8,203 million and a net revenue requirement of \$1,781 million, a decrease of approximately \$92 million over the 2003 net revenue requirement. The Eastern Zone Toll calculated in the application effective 1 January 2004 is \$1.211 per gigajoule,

which compares with the 2003 toll of \$1.195 per gigajoule and the 2004 interim toll of \$1.222 per gigajoule.

TCPL has also proposed a Fuel Gas Incentive Program, the establishment of a new Non-Renewable Firm Transportation Service and modifications to its existing Short-term Firm Transportation Service.

Expected Application

1. *Proposed Mackenzie Gas Project*

On 11 March, the Environmental Assessment and Regulatory Chairs' Executive Committee has formalized the next steps in a process to review the proposed Mackenzie Gas Project. By confirming established timelines now to process an application, the committee members are setting a firm foundation to meet expectations for a thorough, timely and transparent processing of an application once it is filed. The commitments made by Chairs will ensure that the various boards and agencies are prepared to process an application by July 2004.

A news release on the next steps can be found on Natural Gas Project Secretariat's Web site at www.ngps.nt.ca.

The Chairs meet regularly to share information and ensure that decisions within their mandates are made in a timely and coordinated manner. They represent the Inuvialuit Game Council, Mackenzie Valley Environmental Impact Review Board, Mackenzie Valley Land and Water Board, NWT Water Board, Canadian Environmental Assessment Agency and the National Energy Board.

Non Hearing Applications

Electricity Matters

1. Reporting of incidents on international power lines

The Board has regulatory responsibility for the safety, and the impact of the construction and operation of international power lines on the environment, including the ability to inquire into any incident on those facilities. The Board would like to work with its stakeholders to clarify its expectations with respect to the reporting of incidents which occur on these facilities.

On 8 March, the Board issued its "Interim Expectations on the Reporting of Incidents on International Power Lines" to all international power lines companies for comments.

Until the Board finalizes its expectations through the comment process, the Board expects companies to report international power line incidents in accordance with the "Interim Expectations on the Reporting of Incidents on International Power Lines".

Matters Pending

2. Black Oak Capital, LLC (BOC) – Electricity Export (File 6200-B070-1)

On 19 March, BOC applied for permits to export up to 4 380 gigawatt-hours of firm energy and up to 4 380 gigawatt-hours of interruptible energy per year for a period of 10 years.

3. New York Power Authority (NYPA) – Electricity Export (File 6200-N100-1)

On 24 September and 3 December, NYPA applied for permits to export up to 500 megawatts and 2 000 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

4. SESCO Enterprises, LLC (SESCO) – Electricity Export (File 6200-S175 -1)

On 27 February, SESCO applied for permits to export up to 200 megawatts of firm power and 600 gigawatt-hours of firm energy per year for a period of 10 years.

5. WPS Energy Services, Inc. (WPS) – Electricity Export (File 6200-W058-1)

On 25 March, WPS applied for permits to export up to 1 800 gigawatts of interruptible power per year for a period of five years.

Frontier Matters

1. Anadarko Canada Corporation (Anadarko) – Commercial Discovery Declaration Netla Area, NWT – Application dated 10 July 2003

On 1 April, the Board issued to Anadarko a declaration of "Commercial Discovery" pursuant to Part II.1, subsection 28.2(4) of the *National Energy Board Act* and to Part IV, subsection 35(1) of the *Canada Petroleum Resources Act* with respect to frontier lands in the Netla Area, NWT comprising grid areas:

Latitude	Longitude	Sections
60° 50'	122° 30'W	67, 68, 75, 76, 77 and 78
60° 50'	122° 45'W	4, 5, 6, 7, 8, 14, 15 and 16

2. Paramount Resources Ltd. (Paramount) – Significant Discovery Declaration Fort Liard Area, NWT – Application dated 8 April 2003

On 1 April, the Board issued to Paramount a declaration of "Significant Discovery" pursuant to Part II.1, subsection 28.2(4) of the *National Energy Board Act* and to Part III, subsection 28(1) of the *Canada Petroleum Resources Act* with respect to frontier lands in the Fort Liard Area, NWT comprising grid areas:

Latitude	Longitude	Sections
60° 10'	123° 15'W	21, 22 and 23

3. *Anadarko* was given approval on 3 March to alter the condition of the well Arrowhead River F-56 pursuant to the *Canada Oil and Gas Drilling Regulations* (COGDR).
4. *Anadarko* was given approval on 16 March to alter the condition of the well Arrowhead River C-55 pursuant to the COGDR.
5. *Anadarko* was given approval on 2 March to conduct flaring for the wells K-35, F-56, C-55 and A-77 pursuant to the GOGDR.
6. *Chevron Resources (Chevron)* was given approval on 2 March to drill the well *Chevron et al* Liard 2M-25 pursuant to the COGDR.
7. *Chevron* was given approval on 9 March to conduct a well tie-in for the well *Chevron et al* Liard 3K-29 pursuant to the *Canada Oil and Gas Operations Act* (COGOA).
8. *Paramount* was given approval on 1 March to alter the condition of the well *Para et al* Cameron F-19 pursuant to the COGDR.
9. *Paramount* was given approval on 4 March to alter the condition of the well *Paramount et al* Cameron C-19 well for the well pursuant to the COGDR.
10. *Paramount* was given approval on 4 March to construct gathering facilities pursuant to the COGOA.
11. *Paramount* was given approval on 8 March to alter the condition of the well *Paramount et al* Fort Liard F-36 pursuant to the COGDR.
12. *Paramount* was given approval on 9 March to alter the condition of the well *Para et al* Cameron K-19 pursuant to the COGDR.
13. *Paramount* was given approval on 10 March to alter the condition of the well *Para et al* Cameron C-74 pursuant to the COGDR.
14. *Paramount* was given approval on 17 March to alter the condition of the well *Para et al* Cameron B-38 pursuant to the COGDR.
15. *Paramount* was given approval on 23 March to alter the condition of the well *Paramount et al* Cameron A-05 to the COGDR.
16. *Petro-Canada's* "Well Termination Record" for the well *PCI et al* Tweed Lake M-47 was approved on 26 March pursuant to the GOGDR.

Pipeline Matters

Matters Completed

1. Section 58 Applications

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matter Under Consideration

2. *Express Pipeline Ltd. (Express) – Capacity Expansion (File 3400-T092-7)*

On 23 December, Express applied for approval to construct three intermediate pump stations and two barrel tanks. Express also proposes the change-out of impellers at existing pump stations.

The expansion would increase capacity of the Express pipeline by approximately 17 600 cubic metres (108 000 barrels) per day to a capacity of approximately 44 900 cubic metres (280 000 barrels) per day, depending on the characteristics of the petroleum transported.

Each of the two tanks, to be constructed at the Hardisty Terminal, would be sized at 24 000 cubic metres (150 000 barrels). The pump stations would be located at Station 2 (Ribstone Creek), Station 4 (Jenner) and Station 6 (Peace Butte). Express proposes to start construction in June 2004 and the proposed in-service date is March of 2005. The estimated cost of the Expansion is \$45.6 million.

Traffic, Tolls and Tariffs Matters

Matter Completed

1. *Trans-Northern Pipelines Inc. (TNPI) – 2004 Tolls (File 4200-T002-11)*

On 23 March, the Board approved an application dated 26 February from TNPI for approvals of final tolls for 2004 pursuant to the approved incentive toll settlement between TNPI and its shippers.

Matters Pending

2. *Foothills Pipe Lines Ltd. (Foothills) on behalf of Foothills Pipe Lines (Alta.) Ltd., Zones 6 and 7 Foothills Pipe Lines (South B.C.), Zone 8 and Foothills Pipe Lines (Sask.) Ltd., Zone 9 - Year 2004 Operating and Maintenance Expense Budgets (File 4750-F006-1)*

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Regulatory Initiatives Pursuant to the National Energy Board Act

1. *Guidelines for Filing Requirements, 1995 (GFR)*

On 2 December, the Board provided an opportunity for the public to review the final draft of the *NEB Filing Manual* (formerly called the *Guidelines for Filing Requirement, 1995*). The final Filing Manual will be released in April 2004.

2. *National Energy Board Pipeline Crossing Regulations, Part I and Part II - Damage Prevention Regulations*

On 14 November, the Board sought comments from the public on the *Draft Guidance Notes for the National Energy Board Damage Prevention Regulations*. The document contains the draft legal text of the Board's proposed *Damage Prevention Regulations* and the proposed guidance. The deadline for written comments was 31 March 2004.

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

3. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. *The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations*

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

5. *The Canada Oil and Gas Geophysical Operations Regulation (Regulations)*

The Regulations are being amended in order to satisfy concerns raised by the Standing Joint Committee for the Scrutiny of Regulations and to reflect advances in electronic data storage and communications. Some of the changes are designed to render provisions of the Regulations consistent in both official languages and to reflect changes made since the adoption of the *Department of Canadian Heritage Act*.

Regulatory Initiatives Pursuant to the Canada Labour Code

6. *Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II*

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Upcoming Energy Market Assessment (EMA) Reports

As part of its mandate under the NEB Act, the Board is required to study and keep under review a broad range of energy matters over which Parliament has jurisdiction. As part of that mandate, the Board publishes EMAs, which examine various facets of Canada's energy market. These reports include both long-term assessments of Canada's energy future and specific reports on current and near-term energy market issues. Below is a listing of upcoming EMAs.

1. *Canada's Conventional Natural Gas Resources: A Status Report (to be published in April 2004)*

This EMA will provide estimates of the ultimate potential of conventional natural gas for each basin in Canada and will outline a program of review for the estimates. The Alberta assessment is an interim estimate pending the results of the joint assessment with the EUB.

2. *Canada's Oil Sands: Opportunities and Challenges to 2015 (to be published in May 2004)*

In the course of carrying out its analyses in the 2003 supply and demand report entitled *Canada's Energy Future: Scenarios for Supply and Demand to 2025*, a number of significant issues surrounding the oil sands were identified. The key objectives of the report is to update the supply and demand aspects contained in the Board's October 2000 oil sands report and to provide a comprehensive assessment of some of the opportunities and issues facing the oil sands.

3. *British Columbia Natural Gas Market - An Overview and Assessment (to be published in May 2004)*

This EMA will provide a comprehensive overview and assessment of the functioning of the British Columbia gas market. Many aspects of the British Columbia gas market including demand, transportation, pricing and supply will be reviewed and discussed in this EMA. Issues such as rising British Columbia gas prices, increased price volatility and the market's response will be examined.

4. *Looking Ahead to 2010 - Natural Gas Markets in Transition (to be published in June 2004)*

The report will summarize the Board's findings following a series of Roundtable discussions held in February 2004. It will explore how natural gas markets may evolve to the end of the decade and will identify actions that could be taken to increase supply; to promote more efficient use of gas and to mitigate the effects of price volatility.

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Westcoast Energy Inc.	File: 3400-W005-322 Order: XG-W005-11-2004	Application dated 9 March; approved on 23 March. Rock revetment at Grewatsch Creek at km post 15.7 of the Laprise Pipeline north of Fort St. John, B.C.	75 000
	File: 3400-W005-320 Order: XG-W005-10-2004	Application dated 30 January; approved on 17 March. Decommissioning of Booster Station 12 at the Fort Nelson Gas Plant.	250 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Enbridge Pipelines Inc.	File : 3400-E101-63 Order : XO-E101-02-2004	Application dated 20 February; approved on 24 March. Six projects.	936 900

Profile

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The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

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The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of April 2004

Energy Market Assessment – Canada’s Conventional Natural Gas Resources, A Status Report

On 15 April, the Board released a report on the current status of its estimates of ultimate potential for conventional natural gas in Canada. The report is entitled *Canada’s Natural Gas Resources: A Status Report*.

National Energy Board 2003 Annual Report

On 20 April, the Minister of Natural Resources Canada tabled in Parliament the Board’s 2003 Annual Report.

National Energy Board Filing Manual

On 29 April, the Board released a new *Filing Manual* that provides guidance to companies preparing applications for review by the Board. This document replaces the *Guidelines for Filing Requirements* (GFR), developed in 1995. Companies are expected to immediately begin using the *Filing Manual* in place of the GFR.

Energy Market Assessment – The British Columbia Natural Gas Market: An Overview and Assessment

On 29 April, the Board released a report on the overview and assessment of the natural gas market in British Columbia. The report is entitled *The British Columbia Natural Gas Market: An Overview and Assessment*.

The above four documents are available on the Board’s Web site, www.neb-one.gc.ca, or by contacting the Board’s Publications Office at (403) 299-3562 or 1-800-899-1265, or in the Board’s Library.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board’s activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c.N-7, as amended.

**“We promote Safety,
Environmental Protection and
Economic Efficiency”**

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Public Awareness Workshop 2004

The Board will be holding its fifth Public Awareness Workshop for Buried Pipelines at the Queen Elizabeth Hotel in Montréal, Quebec from 26 to 28 September. The Awareness Workshop is a forum for industry to share its best public awareness practices related to damage prevention and emergency response.

A key goal of the Board is to ensure the safety of NEB-regulated pipelines. These workshops are

critical in achieving this goal and ensuring that Canadians are well prepared to live and work safely around pipelines.

For further information on the Workshop, please contact Stella Hiebert (shiebert@neb-one.gc.ca), Awareness 2004 Project Administrator or call (403) 299-2787 or toll free: 1-800-899-1265.

Public Hearing Applications

Hearings Scheduled

1. TransCanada PipeLines Limited (TCPL) – 2004 Tolls – RH-2-2004 (File 4200-T001-19)

The Board will hold a two-phase public hearing on an application from TCPL for approval of new tolls it may charge on its Mainline system for the period 1 January to 31 December 2004. Phase I of the hearing will consider all issues raised by the 2004 Tolls Application, with the exception of Cost of Capital.

Phase I of the public hearing will commence on 14 June in Ottawa, Ontario. Procedures for Phase II of the hearing will be announced at a later date.

TCPL has forecasted a 2004 average rate base of \$8,203 million and a net revenue requirement of \$1,781 million, a decrease of approximately \$92 million over the 2003 net revenue requirement. The Eastern Zone Toll calculated in the application effective 1 January 2004 is \$1.211 per gigajoule, which compares with the 2003 toll of \$1.195 per gigajoule and the 2004 interim toll of \$1.222 per gigajoule.

TCPL has also proposed a Fuel Gas Incentive Program, the establishment of a new Non-Renewable Firm Transportation Service and modifications to its existing Short-term Firm Transportation Service.

2. TransCanada PipeLines Limited (TCPL) – North Bay Junction – RH-3-2004 (File 4775-T001-12)

The Board will hold a public hearing commencing on 9 August, in Montréal, Québec, on an application from TCPL for approval to establish a new receipt and delivery point and corresponding tolls for service at North Bay, Ontario.

On 14 November 2003, the Board identified a number of broader toll design issues that should be considered jointly with the North Bay Junction application. The Board then decided to stay the processing of the North Bay Junction application until such time as TCPL filed sufficient information to address the broader toll design issues.

On 31 March, TCPL updated its North Bay Junction application and applied for approval of the new receipt and delivery point, corresponding tolls and services, and to remove North Bay from the existing Northern Delivery Area.

Hearing Suspended

1. Westcoast Energy Inc. (WEI) – 2004 Tolls (File 4200-W005-16)

The Board has suspended a public hearing that was scheduled to commence on 17 May in Calgary, Alberta on an application by WEI for approval of 2004 tolls for mainline transmission service in Zones 3 and 4 for the period 1 January to 31 December 2004.

By letter dated 1 April, WEI informed the Board that it has reached an agreement in principle with certain groups and companies on the terms of a transmission toll settlement covering a two year period commencing 1 January 2004. In light of the settlement, WEI requested that the RH-1-2004 timetable of events and hearing schedule be suspended pending the filing of WEI's application for approval of the settlement.

The Board approved WEI's request and suspended the hearing schedule for RH-1-2004 pending filing of the settlement agreement.

Non Hearing Applications

Electricity Matters

Matters Pending

1. Black Oak Capital, LLC (BOC) – Electricity Export (File 6200-B070-1)

On 19 March, BOC applied for permits to export up to 4 380 gigawatt-hours of firm energy and up to 4 380 gigawatt-hours of interruptible energy per year for a period of 10 years.

2. Citadel Financial Products S.a.r.l. (Citadel) – Electricity Export (File 6200-C228-1)

On 28 April, Citadel applied for permits to export up to 100 megawatts of firm and interruptible power and 876 gigawatt-hours of firm and interruptible energy per year for a period of 10 years.

3. New York Power Authority (NYPA) – Electricity Export (File 6200-N100-1)

On 24 September and 3 December 2003, NYPA applied for permits to export up to 500 megawatts and 2 000 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

4. SESCO Enterprises, LLC (SESCO) – Electricity Export (File 6200-S175 -1)

On 27 February, SESCO applied for permits to export up to 200 megawatts of firm power and 600 gigawatt-hours of firm energy per year for a period of five years.

5. WPS Energy Services, Inc. (WPS) – Electricity Export (File 6200-W058-1)

On 25 March, WPS applied for permits to export up to 1 800 gigawatts of interruptible power per year for a period of five years.

Frontier Matters

1. Shell Canada Limited (Shell) – Declaration of Commercial Discovery

On 2 April, Shell applied for a Declaration of Commercial Discovery pursuant to section 35 of the *Canada Petroleum Resources Act* in respect of the Niglintgak H-30 well, SDL-019 and the following applied-for lands:

Latitude	Longitude	Sections
69° 20' N	135° 00' W	57, 58
69° 20' N	135° 15' W	7, 8, 9, 10, 19, 20, 29, 30, 40

On 8 April, the Board published a Notice to Potential Directly Affected Person(s) by the application seeking views and submissions on whether a person should be considered a Directly Affected Person.

2. Devon Canada Corporation (Devon) - Beaufort Sea Exploration Drilling Program

On 30 May 2002, Devon notified the Board of its proposal to conduct its Beaufort Sea Exploration Drilling Program. The proposal involves up to three bottom-founded drilling platforms for winter drilling in Devon's exploration licence area located in the landfast ice regime of the Beaufort Sea north and west of Tuktoyaktuk, Northwest Territories. Pending regulatory approvals, drilling operations would start in the winter of 2005/2006.

This proposal requires an environmental assessment in the form of a comprehensive study under the *Canadian Environmental Assessment Act* (CEAA) and an Environmental Impact Screening and Review under the Inuvialuit Final Agreement. The Board delegated the responsibility for conducting the comprehensive study and preparing a comprehensive study report (CSR) to Devon in accordance with the CEAA.

The Board has invited public comments on issues associated with the environmental assessment of Devon's Drilling Program. More information on this application is available on the Board's Web site under *Newsroom, News Releases*.

3. Anadarko Canada Corporation's "Well Termination Record" for the well Arrowhead River K-35 was approved on 22 April pursuant to sub-section 203(1) of the *Canada Oil and Gas Drilling Regulations* (COGDR).

4. EnCana Corporation's "Well Termination Record" for the well Begadéh J-66 was approved on 22 April pursuant to sub-section 203(1) of the COGDR.

Gas Matter

Matter Completed

1. *ProGas Limited (ProGas) – Amend a Gas Purchase Contract and Gas Export Licence GL-129 (File 7200-P038-5-2)*

On 29 April, the Board approved an application dated 7 January from ProGas for approval of an Amending Agreement with Northeast Energy Associates, A Limited Partnership (NEA) underpinning exports under Licence GL-129. The Amending Agreement consists of reducing the daily contract quantities. The Board also approved an application dated 12 April from ProGas to revoke and substitute condition 2 of Licence GL-129 to reflect volumes that are consistent with that of the associated gas purchase contract.

Under Licence GL-129, ProGas was authorized to export natural gas to serve two cogeneration plants, one operated by NEA and one operated by North Jersey Energy Associates, A Limited Partnership, and to meet a portion of Texas Eastern Transmission Corporation's system supply requirements. Over the years the contracted volumes have been adjusted between the two cogeneration plants in accordance with prevailing market condition. Today the underpinning contract provides for delivery solely to NEA.

Pipeline Matters

Matter Completed

1. *Section 58 Applications*

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matter Under Consideration

2. *Express Pipeline Ltd. (Express) – Capacity Expansion (File 3400-T092-7)*

On 23 December, Express applied for approval to construct three intermediate pump stations and two barrel tanks. Express also proposes the change-out of impellers at existing pump stations.

The expansion would increase capacity of the Express pipeline by approximately 17 600 cubic metres (108 000 barrels) per day to a

capacity of approximately 44 900 cubic metres (280 000 barrels) per day, depending on the characteristics of the petroleum transported.

Each of the two tanks, to be constructed at the Hardisty Terminal, would be sized at 24 000 cubic metres (150 000 barrels). The pump stations would be located at Station 2 (Ribstone Creek), Station 4 (Jenner) and Station 6 (Peace Butte). Express proposes to start construction in June and the proposed in-service date is March 2005. The estimated cost of the Expansion is \$45.6 million.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. *Enbridge Pipelines Inc. (Enbridge) – 2004 Final Tolls (File 4200-E101-5)*

On 1 April, the Board approved an application dated 19 March from Enbridge for approval of final tolls for the year 2004. The Board was satisfied that the proposed tolls are just and reasonable and consistent with the approved multi-year toll settlement.

2. *Foothills Pipe Lines Ltd. (Foothills) on behalf of Foothills Pipe Lines (Alta.) Ltd., Zones 6 and 7, Foothills Pipe Lines (South B.C.) Ltd., Zone 8 and Foothills Pipe Lines (Sask.) Ltd., Zone 9 - Year 2004 Operating and Maintenance Expense Budgets (File 4750-F006-1)*

On 22 April, the Board approved an application from Foothills, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 2004. The Board also approved an application dated 27 February from Foothills for a change to its accounting policy from capitalizing to fully expensing in-line inspection runs.

Appeals and Reviews

Appeals

Appeal Completed

1. *TransCanada Pipelines Limited (TCPL) – NEB Decision RH-R-1-2002*

On 6 April, the Federal Court of Appeal dismissed TCPL's appeal of the Board's RH-R-1-2002 Decision issued on 20 February 2003. In the 20 February Decision, the Board dismissed TCPL's September 2002 application for a Review and Variance of the Board's June 2002 RH-4-2001 Decision on the company's Fair Return application.

The Court heard the Appeal from 16 to 18 February in Toronto, Ontario.

Appeal Pending

2. *Natural Gas Steering Committee (NGSC) – Application for Leave to Appeal the 2003 NEB Decision Relating to Westcoast Energy Inc.'s (WEI) Final 2003 Tolls*

The NGSC has applied to the Federal Court of Appeal for leave to appeal the Board's Decision dated 27 November 2003 regarding an application from WEI for approval of final tolls for 2003. The NGSC asked the Federal Court for a stay of the application pending the determination of the review application discussed below in item 4.

Reviews

Reviews Pending

3. *City of Hamilton – Judicial Review - Trans-Northern Pipeline Inc. (TNPI) – Pipeline Replacement and Lowering in Hamilton, Ontario – OHW-1-2003*

On 18 August 2003, the City of Hamilton filed a Notice of Application for Judicial Review with the Federal Court of Appeal. The Notice seeks, among other things, a declaration that the *Canadian Environmental Assessment Act* (CEAA) does not apply to the TNPI application and that no environmental screening is or was required to be carried out by the Board under the CEAA in respect of the application.

The Board filed with the Court a Notice of Appearance. The Application has been put into abeyance until 30 days after the Board's decision

on the TNPI application as a result of a consent motion to the court.

4. *Natural Gas Steering Committee (NGSC) – Application to Review the Board's Decision Relating to Westcoast Energy Inc.'s (WEI) Final 2003 Tolls*

On 26 February 2003, the Board granted a request from NGSC to review, grounds (b) and (c) below, a previous WEI tolls decision. On 15 January, the Board had solicited comments from interested parties on whether a review should be conducted. The Board will conduct the review through a written process.

On 24 December 2003, the NGSC asked the Board to review its WEI 2003 Final Tolls Decision of 27 November 2003 and to amend Order TG-7-2003 to require WEI to include the full benefit of the 2003 Overhead During Construction (ODC) tax adjustment in the 2003 tolls. The NGSC also requested that the Board establish a review process to review the treatment of indirect ODC deductions in the 1997 to 2001 toll orders.

The NGSC submits that the Board made errors in reaching its decision in that it:

- (a) erred in law when it applied the terms of the 1997-2001 Settlement to the 2003 ODC adjustments;
- (b) erred in not finding that the 2003 ODC adjustments, although not resulting in a reassessment, arose from reassessments of the taxes payable for years prior to 2003 such that either the 1997-2001 Settlement or the 2002-2003 Settlement oblige WEI to credit the full benefit to the account of shippers; and
- (c) erred in not responding to the NGSC request that the Board review the 1997 to 2001 tolling decisions to ensure the correct and current information on the 1997-2001 ODC Adjustments was taken into account by the Board or, if taken into account, in not indicating so in its decision.

Amendments to Regulations

Regulatory Initiative Pursuant to the National Energy Board Act

1. National Energy Board Pipeline Crossing Regulations, Part I and Part II - Damage Prevention Regulations

On 14 November 2003, the Board sought comments from the public on the *Draft Guidance Notes for the National Energy Board Damage Prevention Regulations*. The document contains the draft legal text of the Board's proposed *Damage Prevention Regulations* and the proposed guidance. The deadline for written comments was 31 March.

The Board intends to replace the existing *Pipeline Crossing Regulations, Part II* with regulations targeted at damage prevention (to be known as *Damage Prevention Regulations*).

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

2. Canada Oil and Gas Diving Regulations and Guidance Notes

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

3. The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations

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Regulatory Initiative Pursuant to the Canada Labour Code

5. Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II

For more information on this matter, refer to item 6 under *Amendments to Regulations and Guidelines* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

R. Harrison – Re-appointment

Mr. Rowland Harrison has been re-appointed as a Board Member for a further term of seven years. Mr. Harrison was first appointed to the Board in 1997. Since that time, he has handled some of our most difficult cases at the Board and has developed a reputation for his thorough understanding of energy issues and administrative law.

Prior to joining the Board in 1997, Mr. Harrison had a diversified career which included: teaching Law at various Canadian universities; holding senior management positions with a number of organizations including the Canada Oil and Gas Lands Administration, the Canadian Institute of Resources Law, the Institute for Research on Public Policy and the Dalhousie Institute of Environmental Studies; and practicing law as a partner in the Calgary office of Stikeman Elliott, a national and international Canadian law firm.

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
County of Vermilion River No. 24 Gas Utility	File: 3400-V008-1 Order: XG-V008-16-2004	Application dated 5 September 2002; approved on 13 April. Construct a service line that will tie in to an operating service line that originates in LSD 16-1-52-1W4 across the Alberta/Saskatchewan border to LSD 1-12-52-1W3.	1 500
	File: 3400-V008-1 Order: XG-V008-17-2004	Application dated 5 September 2002; approved on 13 April. Construct a new service line at SW 12-52-28-W3M.	2 500
TransCanada PipeLines Limited	File: 3400-T001-229 Order: XG-T001-19-2004	Application dated 3 March; approved on 20 April. Replace 2.1km of pipeline in the City of Vaughan, Ontario.	2 897 000
Westcoast Energy Inc.	File: 3400-W005-324 Order: XG-W005-18-2004	Application dated 11 March; approved on 15 April. Upgrade pipe casings on the Sahtaneh and Yoyo pipelines and replace corrosion inhibitor storage tanks on the Yoyo pigging facility.	180 00
	File: 3400-W005-323 Order: XG-W005-20-2004	Application dated 11 March; approved on 26 April. Construct a meter station near Fort St. John, B.C.	460 000
806026 Alberta Ltd., a wholly owned subsidiary of Duke Energy Midstream Services Canada Ltd.	File: 3400-Z007-3 Order: XG-Z007-15-2004	Application dated 9 March; approved on 14 April. Tie-in installation on the West Doe Pipeline north of Dawson Creek, B.C.	79 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Terasen Pipelines (Trans Mountain) Inc.	File: 3400-T099-7 Order: XG-T099-04-2004	Application dated 5 January; approved on 29 April. Capacity upgrade program.	17 000 000
Trans-Northern Pipelines Inc.	File: 3400-T002-60 Order: XO-T002-04-2004	Application dated 25 March; approved on 28 April. Pipeline replacements in Clarington, Oshawa, Whitby, Ajax and Pickering, Ontario.	900 000

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of May 2004

Public Awareness Workshop 2004

The Board will be holding its fifth Public Awareness Workshop for Buried Pipelines at the Queen Elizabeth Hotel in Montréal, Quebec from 26 to 28 September 2004. The Awareness Workshop is a forum for industry to share its best public awareness practices related to damage prevention and emergency response.

A key goal of the Board is to ensure the safety of NEB regulated pipelines. These workshops are critical in achieving this goal and ensuring that

Canadians are well prepared to live and work safely around pipelines.

For registration forms or to register on line, visit our Web site at www.neb-one.gc.ca under *Safety and Environment, Awareness*. For further information on the Workshop, please contact Stella Hiebert (shiebert@neb-one.gc.ca), Awareness 2004 Project Administrator or call (403) 299-2787 or call toll free: 1-800-899-1265.

NEB and U.S. Federal Energy Regulatory Commission Memorandum of Understanding

On 10 May 2004, the Board and the Federal Energy Regulatory Commission (FERC) signed a Memorandum of Understanding (MOU) to enhance interagency coordination.

The Board's Chairman and FERC's Chairman signed the MOU in Halifax, Nova Scotia where they were attending the annual conference of the Canadian Association of Members of Public Utility Tribunals.

Recognizing that the two agencies oversee interconnecting facilities or activities, the MOU will assist both parties in coordinating their responsibilities. It is another step in Canada's commitment to smart regulation and the development of regulatory strategies that protect the health and safety of Canadians and of the environment, while contributing to economic efficiency.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

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Environmental Protection and
Economic Efficiency"**

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Canada's Oil Sands, an Energy Market Assessment

On 27 May 2004, the Board released an Energy Market Assessment report entitled *Canada's Oil Sands: Opportunities and Challenges to 2015*. The report provides an update on the supply and demand aspects of an Energy Market Assessment prepared in 2000 entitled *Canada's*

Oil Sands: A Supply and Market Outlook to 2015 and provides a comprehensive assessment of the key opportunities and issues facing the oil sands. A copy of the report is available on the Board's Web site at www.neb-one.gc.ca.

Public Hearing Applications

Hearings Scheduled

1. TransCanada PipeLines Limited (TCPL) – 2004 Tolls – RH-2-2004 (File 4200-T001-19)

The Board will hold a two-phase public hearing on an application from TCPL for approval of new tolls it may charge on its Mainline system for the period 1 January to 31 December 2004. Phase I of the hearing will consider all issues raised by the 2004 Tolls Application, with the exception of Cost of Capital.

Phase I of the public hearing will commence on 14 June 2004 in Ottawa, Ontario. Phase II of the hearing will commence on 25 October 2004 in Calgary, Alberta.

2. TransCanada PipeLines Limited (TCPL) – North Bay Shortcut – RH-3-2004 (File 4775-T001-12)

The Board will hold a public hearing commencing on 9 August 2004, in Montréal, Quebec, on an application from TCPL for approval to establish a new receipt and delivery point at North Bay, Ontario, corresponding tolls and services, and to remove North Bay from the existing Northern Delivery Area.

Hearing Suspended

1. Westcoast Energy Inc. (WEI) – 2004 Tolls – RH-1-2004 (File 4200-W005-16)

The Board has suspended a public hearing that was scheduled to commence on 17 May 2004 in Calgary, Alberta on an application by WEI for approval of 2004 tolls for mainline transmission service in Zones 3 and 4 for the period 1 January to 31 December 2004.

On 1 April 2004, WEI informed the Board that it has reached an agreement in principle with certain groups and companies on the terms of a transmission toll settlement covering a two year period commencing 1 January 2004. In light of the settlement, WEI requested that the RH-1-2004 timetable of events and hearing schedule be suspended pending the filing of WEI's application for approval of the settlement.

The Board approved WEI's request and suspended the hearing schedule for RH-1-2004 pending filing of the settlement agreement.

Non Hearing Applications

Electricity Matters

Matter Completed

1. *SESCO Enterprises, LLC (SESCO) – Electricity Export (File 6200-S175-1)*

On 7 May 2004, the Board approved an application dated 27 February 2004 from SESCO for permits to export up to 200 megawatts of firm power and 600 gigawatt-hours of firm and interruptible energy per year for a period of five years.

Matters Pending

2. *Black Oak Capital, LLC (BOC) – Electricity Export (File 6200-B070-1)*

On 19 March 2004, BOC applied for permits to export up to 4 380 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

3. *Citadel Financial Products S.a.r.l. (Citadel) – Electricity Export (File 6200-C228-1)*

On 28 April 2004, Citadel applied for permits to export up to 100 megawatts of firm and interruptible power and 876 gigawatt-hours of firm and interruptible energy per year for a period of 10 years.

4. *MAG ENERGY SOLUTIONS Inc. (MAG) – Electricity Export (File 6200-M144-1)*

On 11 May 2004, MAG applied for permits to export up to 500 megawatts of combined firm and interruptible power and 4 380 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

5. *New York Power Authority (NYPA) – Electricity Export (File 6200-N100-1)*

On 24 September and 3 December 2003, NYPA applied for permits to export up to 500 megawatts and 2 000 gigawatt-hours of combined firm and interruptible power and energy per year for a period of 10 years.

6. *WPS Energy Services, Inc. (WPS) – Electricity Export (File 6200-W058-1)*

On 25 March 2004, WPS applied for permits to export up to 1 800 gigawatts-hours of interruptible energy per year for a period of five years.

Frontier Matters

1. *Paramount Resources Ltd.'s "Well Termination Record" for the well Cameron O-19 was approved on 12 May 2004 pursuant to the Canada Oil and Gas Drilling Regulations (GOGDR).*
2. *Chevron Canada Resources was given approval on 12 May 2004 to alter the condition of a well for the well Liard 2M-25 pursuant to the COGDR.*

Pipeline Matters

Matters Completed

1. *Section 58 Applications*

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

2. *Express Pipeline Ltd. (Express) – Capacity Expansion (File 3400-T092-7)*

On 11 May 2004, the Board approved an application dated 23 December 2003 from Express to construct three intermediate pump stations and two barrel tanks. Express also proposed the change-out of impellers at existing pump stations.

The expansion will increase capacity of the Express pipeline by approximately 17 600 cubic metres (108 000 barrels) per day to a capacity of approximately 44 900 cubic metres (280 000 barrels) per day, depending on the characteristics of the petroleum transported.

Each of the two tanks, to be constructed at the Hardisty Terminal, will be sized at 24 000 cubic metres (150 000 barrels). The pump stations will be located at Station 2 (Ribstone Creek), Station 4 (Jenner) and Station 6 (Peace Butte). Express proposed to start construction in June 2004 and the proposed in-service date is March of 2005. The estimated cost of the expansion is \$45.6 million.

Security Matter

1. Pipeline Security Management Assessments (File 3000-A000-24)

The events of 11 September 2001, combined with terrorist activity worldwide and recent threats directed at Canada, have prompted the Government of Canada and the Board to take a prudent and expedient approach in addressing the security of Canada's energy infrastructure.

On 6 May 2004, the *Public Safety Act* received Royal Assent. Once proclaimed, this act will amend the *National Energy Board Act* to explicitly include "security" within the Board's mandate and provide the Board with a clear statutory basis for regulating security of energy infrastructure under its jurisdiction.

In this regard, the Board intends to conduct Pipeline Security Management Assessments

(PSMAs) on all Group 1 companies and two Group 2 companies within the next 12 months to gain a better understanding of how Board regulated companies are managing pipeline security, to establish a baseline of current security management programs, and to assist the Board in the development and implementation of security management regulations and guidance, and security related regulatory initiatives. The information obtained by the Board will be kept confidential under the provisions of sections 16 and 17 of the *Access to Information Act*.

These PSMAs will focus on management systems as they pertain to security of companies' operations. This focus will allow regulated companies to retain flexibility in how they manage security while meeting the Board's goals. The Board assessment team will verify applicability, effectiveness and implementation of the programs through selected site visits.

Appeal and Reviews

Appeal

Appeal Pending

1. Natural Gas Steering Committee (NGSC) – Application for Leave to Appeal the 2003 NEB Decision Relating to Westcoast Energy Inc.'s (WEI) Final 2003 Tolls

The NGSC has applied to the Federal Court of Appeal for leave to appeal the Board's Decision dated 27 November 2003 regarding an application from WEI for approval of final tolls for 2003. The NGSC asked the Federal Court for a stay of the application pending the determination of the review application discussed below in item 3.

Reviews

Reviews Pending

2. City of Hamilton – Judicial Review – Trans-Northern Pipeline Inc. (TNPI) – Pipeline Replacement and Lowering in Hamilton, Ontario – OHW-1-2003

On 18 August 2003, the City of Hamilton filed a Notice of Application for Judicial Review with the Federal Court of Appeal. The Notice seeks, among other things, a declaration that the *Canadian Environmental Assessment Act* (CEAA) does not apply to the TNPI application and that no

environmental screening is or was required to be carried out by the Board under the CEAA in respect of the application.

The Board filed with the Court a Notice of Appearance. The Application has been put into abeyance until 30 days after the Board's decision on the TNPI application as a result of a consent motion to the court.

3. Natural Gas Steering Committee (NGSC) – Application to Review the Board's Decision Relating to Westcoast Energy Inc.'s (WEI) Final 2003 Tolls

On 26 February 2004, the Board granted a request from NGSC to review, grounds (b) and (c) below, a previous WEI tolls decision. On 15 January 2004, the Board had solicited the comments from interested parties on whether a review should be conducted. The Board will conduct the review through a written process.

On 24 December 2003, the NGSC asked the Board to review its WEI 2003 Final Tolls Decision of 27 November 2003 and to amend Order TG-7-2003 to require WEI to include the full benefit of the 2003 Overhead During Construction (ODC) tax adjustment in the 2003 tolls. The NGSC also requested that the Board establish a review process to review the treatment of indirect ODC deductions in the 1997 to 2001 toll orders.

The NGSC submits that the Board made errors in reaching its decision in that it:

- (a) erred in law when it applied the terms of the 1997-2001 Settlement to the 2003 ODC adjustments;
- (b) erred in not finding that the 2003 ODC adjustments, although not resulting in a reassessment, arose from reassessments of the taxes payable for years prior to 2003 such that either the 1997-2001 Settlement or the 2002-2003 Settlement oblige WEI

to credit the full benefit to the account of shippers; and

- (c) erred in not responding to the NGSC request that the Board review the 1997 to 2001 tolling decisions to ensure the correct and current information on the 1997-2001 ODC Adjustments was taken into account by the Board or, if taken into account, in not indicating so in its decision.

Amendments to Regulations and Guidelines

Regulatory Initiative Pursuant to the National Energy Board Act

1. National Energy Board Pipeline Crossing Regulations, Part I and Part II - Damage Prevention Regulations

On 14 November 2003, the Board sought comments from the public on the *Draft Guidance Notes for the National Energy Board Damage Prevention Regulations*. The document contains the draft legal text of the Board's proposed *Damage Prevention Regulations* and the proposed guidance. The deadline for written comments was 31 March 2004.

The Board intends to replace the existing *Pipeline Crossing Regulations, Part II* with regulations targeted at damage prevention (to be known as *Damage Prevention Regulations*).

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

2. Canada Oil and Gas Diving Regulations and Guidance Notes

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

3. The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. The Canada Oil and Gas Geophysical Operations Regulation (Regulations)

The Regulations are being amended in order to satisfy concerns raised by the Standing Joint Committee for the Scrutiny of Regulations and to reflect advances in electronic data storage and communications. Some of the changes are designed to render provisions of the Regulations consistent in both official languages and to reflect changes made since the adoption of the *Department of Canadian Heritage Act*.

Regulatory Initiative Pursuant to the Canada Labour Code

5. Regulations and Guidance Notes Pertaining to the Canada Labour Code, Part II

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Upcoming Energy Market Assessment Report

Looking Ahead to 2010 - Natural Gas Markets in Transition (to be published in July 2004)

The report will summarize the Board's findings following a series of Roundtable discussions held in February 2004. It will explore how natural gas markets may evolve to the end of the decade and will identify actions that could be taken to increase supply, to promote more efficient use of gas and to mitigate the effects of price volatility.

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 - Fax: (403) 292-5503.

Applications

Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Submit a Document*.

Communication Numbers

General Information:

(403) 292-4800
1-800-899-1265

Publications Office:

Telephone: (403) 299-3562
Telecopier: (403) 292-5576
Email: publications@neb-one.gc.ca

Internet Site:

www.neb-one.gc.ca

Telephone Numbers:

For a current list of the telephone numbers of Board Members and key staff, see our Internet site under the heading: *About Us, Our People*.

National Energy Board
Michel L. Mantha
Secretary

For information:

Denis Tremblay, Communications Officer
Telephone: (403) 299-2717
Email: dtremblay@neb-one.gc.ca

Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
TransCanada PipeLines Limited	File: 3400-T001-231 Order: XG-T001-22-2004	Application dated 28 April 2004; approved on 12 May 2004. Contaminant sampling and remediation program.	440 000
Westcoast Energy Inc.	File: 3400-W005-325 Order: XG-W005-21-2004	Application dated 16 March 2004; approved on 6 May 2004. Class upgrade of pipelines on the Skeetchestn Reserve south of Savona, B.C.	2 054 000
	File: 3400-W005-326 Order: XC-W005-01-2004	Application dated 29 March 2004; approved on 21 May 2004. Sulphur pipeline preventative maintenance projects.	200 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Berens Energy Ltd.	Files: 3400-B071-1 and 3400-R042-2 Order: AO-1-XO-R042-02-2003	Application dated 6 April 2004; approved on 13 May 2004. Amend Order XO-R042-2-2003 to change the name of the holder from Resolution Resources Ltd. to Berens Energy Ltd.	N/A
Enbridge Pipelines Inc.	File: 3400-E101-64 Order: XO-E101-06-2004	Application dated 16 April 2004; approved on 10 May 2004. Install a pipeline interface detector at KP 691.657.	630 000
	File: 3400-E101-65 Order: XO-E101-09-2004	Application dated 27 April 2004; approved on 27 May 2004. Replace and dismantle switchgears at the Edmonton and Regina Terminals.	4 820 900
Express Pipeline Ltd.	File: 3400-E092-7 Order: XO-E092-07-2004	Application dated 23 December 2003; approved on 11 May 2004. Capacity expansion.	45 600 000
Trans-Northern Pipelines Inc.	File: 3400-T002-62 Order: XG-T002-08-2004	Application dated 29 April 2004; approved on 20 May 2004. Pipeline replacements in the Municipality of Clarington and the Townships of Cramahe, Haldimand and Hamilton, Ontario.	1 250 000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and interprovincial and designated international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of June 2004

A Compendium of Electric Reliability Frameworks Across Canada

On 17 June 2004, the Board issued a report entitled *A Compendium of Electric Reliability Frameworks Across Canada*. The report addresses the provision of electric reliability across Canada and,

specifically, the roles and responsibilities of the electric power industry, governments and industry regulators to ensure reliability.

Public Awareness Workshop 2004

The Board will be holding its fifth Public Awareness Workshop for Buried Pipelines at the Queen Elizabeth Hotel in Montréal, Quebec from 26 to 28 September 2004. The Public Awareness Workshop is a forum for industry to share its best public awareness practices related to damage prevention and emergency response.

A key goal of the Board is to ensure the safety of NEB regulated pipelines. These workshops are critical in achieving this goal and ensuring that

Canadians are well prepared to live and work safely around pipelines.

For registration forms or to register on line, visit our Web site at www.neb-one.gc.ca under *Safety and Environment, Awareness*. For further information on the Workshop, please contact Stella Hiebert (shiebert@neb-one.gc.ca), Awareness 2004 Project Administrator or call (403) 299-2787 or call toll free 1-800-899-1265.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

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Public Hearing Applications

Hearing in Progress

1. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls – RH-2-2004 (File 4200-T001-19)*

The Board is holding a two-phase public hearing on an application from TCPL for approval of new tolls it may charge on its mainline system for the period 1 January to 31 December 2004. Phase I of the hearing was held from 14 to 25 June 2004 in Ottawa, Ontario. During Phase I, the Board considered all issues raised by the 2004 Tolls Application, with the exception of Cost of Capital. Phase II of the hearing will commence on 25 October 2004 in Calgary, Alberta.

Hearing Scheduled

1. *TransCanada PipeLines Limited (TCPL) – North Bay Junction – RH-3-2004 (File 4775-T001-12)*

The Board will hold a public hearing commencing on 9 August 2004, in Montreal, Quebec on an application from TCPL for approval to establish a new receipt and delivery point at North Bay, Ontario, corresponding tolls and services, and

to remove North Bay from the existing Northern Delivery Area.

Hearing Suspended

1. *Westcoast Energy Inc. (WEI) – 2004 Tolls – RH-1-2004 (File 4200-W005-16)*

The Board has suspended a public hearing that was scheduled to commence on 17 May 2004 in Calgary, Alberta on an application by WEI for approval of 2004 tolls for mainline transmission service in Zones 3 and 4 for the period 1 January to 31 December 2004.

On 1 April 2004, WEI informed the Board that it had reached an agreement in principle with certain groups and companies on the terms of a transmission toll settlement covering a two year period commencing 1 January 2004. In light of the settlement, WEI requested that the RH-1-2004 timetable of events and hearing schedule be suspended pending the filing of WEI's application for approval of the settlement.

Non Hearing Applications

Electricity Matters

Matters Completed

1. *Black Oak Capital, LLC (BOC) – Electricity Export (File 6200-B070-1)*

On 4 June 2004, the Board approved an application dated 19 March 2004 from BOC for permits to export up to 500 megawatts of firm power and up to 4 380 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

2. *Citadel Financial Products S.a.r.l. (Citadel) – Electricity Export (File 6200-C228-1)*

On 30 June 2004, the Board approved an application dated 28 April 2004 from Citadel for permits to export up to 100 megawatts and 876 gigawatt-hours of firm power and energy and 876 gigawatt-hours of interruptible energy per year for a period of 10 years.

3. *WPS Energy Services, Inc. (WPS) – Electricity Export (File 6200-W058-1)*

On 7 June 2004, the Board approved an application dated 25 March 2004 from WPS for a permit to export up to 1 752 gigawatt-hours of interruptible energy per year for a period of five years.

Matters Pending

4. *ALLETE, Inc. d/b/a Minnesota Power (MP) – Electricity Export (File 6200-A172-1)*

On 10 June 2004, MP applied for permits to export up to 200 megawatts of combined firm and interruptible power and up to 600 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

5. *The Cincinnati Gas & Electric Company (CG&E) – Electricity Export (File 6200-C230-1)*

On 11 June 2004, CG&E applied for permits to export up to 24 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

**6. MAG ENERGY SOLUTIONS Inc. (MAG) –
Electricity Export (File 6200-M144-1)**

On 11 May 2004, MAG applied for permits to export up to 500 megawatts of combined firm and interruptible power and 4 380 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

**7. Manitoba Hydro – Electricity Export
(File 6200-M020-15)**

On 30 June 2004, Manitoba Hydro applied for permits to export up to 3 000 kilowatts of firm power and 26 352 megawatt-hours of firm energy per year for a period of five years.

Frontier Matters

**1. Canada Oil and Gas Operations Act (COGOA)
- Application Repository Project
(File 350-A000-19)**

The Board is implementing a document management system for the review of applications for upstream oil and gas activities requiring authorization under section 5. (1)(b) of the COGOA. Under this initiative, the Board will accept an electronic copy of an application thereby reducing the number of paper copies that applicants are required to file with the Board for approval. The new system will be implemented in several phases. For further information visit our Web site under *North/Offshore, Frontier Activities*.

2. Anadarko Canada Corporation's Well Termination Record for the well Emile Lake A-77
was approved on 7 June 2004 pursuant to the *Canada Oil and Gas Drilling Regulations*.

3. Paramount Resources Ltd.'s Well Termination Records for the wells Cameron A-05, C-16 and C-74 were approved on 17 June 2004 pursuant to the *Canada Oil and Gas Drilling Regulations*. The Well Termination Record for Cameron B-38 was approved 25 June 2004.

4. Geological, geophysical or geotechnical operation - one application was approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act*.

Company	Area	Operation ID	Date
Conoco Phillips Canada Limited	Richardson Mountains, NWT	9237-C148-001E	29 June 2004

Pipeline Matters

Matters Completed

1. Westcoast Energy Inc. – Pipeline Incident Report

On 17 June 2004, the Board issued its Pipeline Incident Report regarding a pipeline rupture on WEI's pipeline near Fort St. John, British Columbia in May 2002. The rupture occurred on a sending barrel at a valve station. A WEI employee was working on the sending barrel when it ruptured and was knocked to the ground, but was otherwise unhurt. The rupture in the pipeline resulted in the release of approximately 3.73 million standard cubic feet of sour natural gas. The released gas did not ignite and developed into a plume which was blown by the wind toward nearby residences and a trailer park until the gas dissipated.

2. Section 58 Applications

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

3. Joint Application by EnCana Midstream & Marketing Partnership (EnCana Midstream) and PMC (Nova Scotia) Company on Behalf of Plains Marketing Canada, L.P. (PMC) – Sale and Purchase of Pipelines (Files 3400-P102-2, 3400-E132-1, 3400-P077-2 and 3400-P077-2-1)

On 11 June 2004, the Board approved a joint application from EnCana Midstream and PMC for the sale and purchase of the undivided 23.75 per cent interest in the Bodo Pipeline System. The Board also approved an application by EnCana Midstream for the sale by Van Horne Pipelines Ltd. of its 23.75 per cent interest in the facilities to PanCanadian Petroleum Ltd. (now EnCana Corporation), and the transfer of the 23.75 per cent interest in the facilities to EnCana Midstream.

The Bodo Pipeline System consist of approximately 23.4 kilometres of 168.3 millimetre crude oil blend pipeline and approximately 23.4 kilometres of 88.9 millimetre condensate pipeline each extending from a receipt point located at LSD 1-19-37-01 W4M in Alberta to a point located in LSD 16-27-35-28 W3M in Saskatchewan.

4. *Profico Energy Management Ltd. (Profico), OMERS Resources Limited (OMERS) and Superman Resources Inc. (Superman) – Sale and Purchase of a pipeline (File 3400-P156-1)*

On 11 June 2004, the Board approved an application from OMERS and Superman to sell the Hallam Pipeline. The Board also approved an application from Proficco to purchase the Hallam Pipeline.

The Hallam Pipeline consist of 3.2 kilometres of 114.3 millimetre sweet dry natural gas pipeline extending from LSD 10-23-38-01 W4M in Alberta to LSD 10-19-38-28 W3M in Saskatchewan.

Traffic, Tolls and Tariffs Matter

Matter Completed

1. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls Task Force Resolution (4200-T001-23)*

The Board approved the following resolution of the 2004 Tolls Task Force:

Resolution No.	Date Approved	Subject
01.2004	23 June 2004	Modifications to Short Term Firm Transportation Service

Appeals and Review

Appeals Pending

1. *Natural Gas Steering Committee (NGSC) – Application for Leave to Appeal the 2003 NEB Decision Relating to Westcoast Energy Inc.'s (WEI) Final 2003 Tolls*

The NGSC has applied to the Federal Court of Appeal for leave to appeal the Board's Decision dated 27 November 2003 regarding an application from WEI for approval of final tolls for 2003. The NGSC asked the Federal Court for a stay of the application pending the determination of the review application discussed below in item 3.

2. *Sumas Energy 2, Inc. (SE2) – Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia.

Review Pending

3. *Natural Gas Steering Committee (NGSC) – Application to Review the Board's Decision Relating to Westcoast Energy Inc.'s (WEI) Final 2003 Tolls*

On 26 February 2004, the Board granted a request from NGSC to review a previous WEI tolls decision. The Board is conducting the review through a written process.

On 24 December 2003, the NGSC asked the Board to review its WEI 2003 Final Tolls Decision of 27 November 2003 and to amend Order TG-7-2003 to require WEI to include the full benefit of the 2003 Overhead During Construction (ODC) tax adjustment in the 2003 tolls. The NGSC also requested that the Board establish a review process to review the treatment of indirect ODC deductions in the 1997 to 2001 toll orders.

Amendments to Regulations

Regulatory Initiative Pursuant to the National Energy Board Act

1. National Energy Board Pipeline Crossing Regulations, Part I and Part II - Damage Prevention Regulations

On 14 November 2003, the Board sought comments from the public on the *Draft Guidance Notes for the National Energy Board Damage Prevention Regulations*. The document contained the draft legal text of the Board's proposed *Damage Prevention Regulations* and the proposed guidance. The deadline for written comments was 31 March 2004.

The Board intends to replace the existing *Pipeline Crossing Regulations, Part II* with regulations targeted at damage prevention (to be known as *Damage Prevention Regulations*).

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

2. Canada Oil and Gas Diving Regulations and Guidance Notes

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

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4. The Canada Oil and Gas Geophysical Operations Regulation (Regulations)

The Regulations are being amended in order to satisfy concerns raised by the Standing Joint Committee for the Scrutiny of Regulations and to reflect advances in electronic data storage and communications. Some of the changes are designed to render provisions of the Regulations consistent in both official languages and to reflect changes made since the adoption of the *Department of Canadian Heritage Act*.

Regulatory Initiative Pursuant to the Canada Labour Code

5. Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

National Energy Board Videos

The following videos are now available upon request:

- *In the Public Interest* - an 8-minute video describing the role of the Board and its purpose;
- *The Public Hearing Process* - an 11-minute video describing the role of the Board, and how to participate in the public hearing process.

To obtain copies of the videos, you may access our Video Order Form on our Web site or contact our Publications Office.

Instructions for Filing

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Applications - Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Submit a Document*.

Upcoming Energy Market Assessment Report

Looking Ahead to 2010 - Natural Gas Markets in Transition (to be published in July 2004)

The report will summarize the Board's findings following a series of Roundtable discussions held in February 2004. It will explore how natural gas markets may evolve to the end of the decade and will identify actions that could be taken to increase supply, to promote more efficient use of gas and to mitigate the effects of price volatility.

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Alliance Pipeline Ltd.	File : 3400-A159-17 Order : XG-A159-23-2004	Application dated 28 April 2004; approved on 8 June 2004. Construct the Clairmont Meter Station.	886 000
Westcoast Energy Inc.	File: 3400-W005-315 Order: XG-W005-24-2004	Application dated 28 November 2003; approved on 8 June 2004. Construct approximately 30 km of acid gas re-injection pipeline from the Kwoen processing facilities to the Burlington Resources well at a-94-A.	19 744 148
	File: 3400-W005-327 Order: XG-W005-25-2004	Application dated 1 April 2004; approved on 18 June 2004. Install ground bed for cathodic protection at km 6 on the Southern Mainline.	50 000
	File: 3400-W005-327 Order: XC-W005-02-2004	Application dated 1 April 2004; approved on 18 June 2004. Upgrade the Pine River Sulphur Pipeline access road.	420 000
	File: 3400-W005-328 Order: XG-W005-26-2004	Application dated 22 April 2004; approved on 21 June 2004. Gully erosion revetment at km 26.2 of the Wolf Pipeline.	130 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Enbridge Pipelines (NW) Inc.	File: 3400-E102-9 Order: XO-E102-11-2004	Application dated 5 April 2004; approved on 7 June 2004. Install a solar panel and replace a pressure transmitter and fuel tank and stands at the Wrigley and Norman Wells stations.	357 200
	File: 3400-E102-10 Order: XO-E102-12-2004	Application dated 27 April 2004; approved on 10 June 2004. Construct and install anodes at the Mackenzie and Norman Wells stations.	72 400
			103 000
Terasen Pipelines (Trans Mountain) Inc.	File: 3400-T099-9 Order: XO-T099-10-2004	Application dated 29 April 2004; approved on 2 June 2004. Westridge Shore Stabilization Project.	

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil*

and Gas Operations Act and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources Development Canada to administer Part II of the *Canada Labour Code*.

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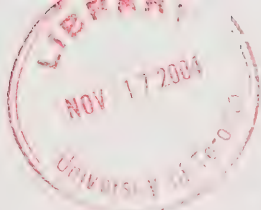
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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of July 2004

Public Awareness Workshop 2004

The Board will be holding its fifth Public Awareness Workshop for Buried Pipelines at the Queen Elizabeth Hotel in Montréal, Quebec from 26 to 28 September 2004. The Public Awareness Workshop is a forum for industry to share its best public awareness practices related to damage prevention and emergency response.

A key goal of the Board is to ensure the safety of NEB regulated pipelines. These workshops are critical in achieving this goal and ensuring that

Canadians are well prepared to live and work safely around pipelines.

For registration forms or to register on line, visit our Web site at www.neb-one.gc.ca under *Safety and Environment, Awareness*. For further information on the Workshop, please contact Stella Hiebert (shiebert@neb-one.gc.ca), Awareness 2004 Project Administrator or call (403) 299-2787 or call toll free 1-800-899-1265.

Public Hearing Applications

Hearing in Progress

1. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls – RH-2-2004 (File 4200-T001-19)*

The Board is holding a two-phase public hearing on an application from TCPL for approval of new tolls it may charge on its mainline system for the period 1 January to 31 December 2004. Phase I of the hearing was held from 14 to 25 June 2004 in Ottawa, Ontario. During Phase I, the Board considered all issues raised by the 2004 Tolls Application, with the exception of Cost of Capital. Phase II of the hearing will commence on 22 November 2004 in Calgary, Alberta.

Hearing Scheduled

1. *TransCanada PipeLines Limited (TCPL) – North Bay Junction – RH-3-2004 (File 4775-T001-12)*

The Board will hold a public hearing commencing on 16 August 2004, in Montréal, Quebec on an application from TCPL for approval to establish a new receipt and delivery point at North Bay, Ontario, corresponding tolls and services, and to remove North Bay from the existing Northern Delivery Area.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety,
Environmental Protection and
Economic Efficiency"**

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Hearing Suspended

1. *Westcoast Energy Inc. (WEI) – 2004 Tolls – RH-1-2004 (File 4200-W005-16)*

The Board has suspended a public hearing that was scheduled to commence on 17 May 2004 in Calgary, Alberta on an application by WEI for approval of 2004 tolls for mainline transmission service in Zones 3 and 4 for the period 1 January to 31 December 2004.

On 1 April 2004, WEI informed the Board that it had reached an agreement in principle with certain groups and companies on the terms of a transmission toll settlement covering a two year period commencing 1 January 2004. In light of the settlement, WEI requested that the RH-1-2004 timetable of events and hearing schedule be suspended pending the filing of WEI's application for approval of the settlement.

On 30 June 2004, WEI filed an Amended Application for approval of a settlement for 2004 and 2005 tolls. On 5 July 2004, the Board sought comments from interested parties on the Amended Application. On 26 July 2004, Westcoast filed a revision to the 2004 tolls incorporated in the Settlement to reflect the outcome of a Board decision on 8 July 2004 relating to certain income tax adjustments concerning Westcoast.

Project Description Filed

1. *Gaz Métro Limited Partnership, Gaz de France and Enbridge Inc. (Applicants) – Rabaska Liquefied Natural Gas (LNG) Project (File 3200-G070-1)*

In July 2004, the Applicants filed a Project Description for a proposed LNG terminal and associated facilities in Quebec. The principal components of the proposed project include a terminal comprising two storage tanks, a marine jetty to receive the LNG tankers and a pipeline of approximately 50 kilometres to connect the terminal to the existing facilities of Gazoduc Trans Québec & Maritimes Inc. (TQM).

The proposed terminal, which would be capable of delivering 14.2 million cubic metres per day of vaporized gas would be constructed in the Ville Guay/Beaumont area, located at the limits of the cities of Lévis and Beaumont in Quebec. A natural gas supply from the Atlantic basin would be delivered to the proposed terminal by means of 60 LNG tankers per year. The proposed marine jetty would be able to accommodate between 138 000 to 160 000 cubic metres of LNG. A pipeline of approximately 50 kilometres from the proposed terminal would have to be constructed to connect to the facilities of TQM in Saint Nicolas, Quebec.

Non Hearing Applications

Electricity Matters

General

1. *Draft Model Conditions for a Certificate of Public Convenience and Necessity (Certificate) (Files 3400-T054-3 and 3740-T054-2002)*

The Board is developing a set of conditions potentially applicable to any international power lines (IPLs) for which a Certificate is sought in the future. The Board's regulation of IPLs in Canada includes, in part, the issuing of Permits or Certificates to authorize the construction and operation of IPL facilities. Permits and Certificates issued commonly include conditions set by the

Board specifically for the IPL being approved. Some of these conditions may be unique to the IPL in question, others may be the same as or very similar to conditions previously set for other IPLs.

The Board anticipates that it will receive applications in the future for the approval of new IPLs and possibly for the replacement or the rebuilding of other existing ones. It wishes to establish a set of Model Conditions so as to have a common and publicized starting point from which it could develop specific conditions for these IPLs. The Board would turn to these Model Conditions when considering conditions of approval to impose for proposed IPL facilities, but would continue to evaluate each case on an individual basis.

Matter Completed

2. *MAG ENERGY SOLUTIONS Inc. (MAG) – Electricity Export (File 6200-M144-1)*

On 6 July 2004, the Board approved an application dated 11 May 2004 from MAG for permits to export up to 500 megawatts of firm power and 4 380 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

Matters Pending

3. *ALLETE, Inc. d/b/a Minnesota Power (MP) – Electricity Export (File 6200-A172-1)*

On 10 June 2004, MP applied for permits to export up to 200 megawatts of firm power and up to 600 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

4. *The Cincinnati Gas & Electric Company (CG&E) – Electricity Export (File 6200-C230-1)*

On 11 June 2004, CG&E applied for permits to export up to 24 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

5. *Manitoba Hydro – Electricity Export (File 6200-M020-15)*

On 30 June 2004, Manitoba Hydro applied for permits to export up to 3 000 kilowatts of firm power and 26 352 megawatt-hours of firm energy per year for a period of five years.

Frontier Matters

1. *Imperial Oil Resources Limited (Imperial) - Declaration of Commercial Discovery for Taglu Gas Field dated 18 December 2003*

The Board has issued a declaration of "Commercial Discovery" to Imperial pursuant to Part II.1, subsection 28.2(4) of the *National Energy Board Act* and to Part IV, subsection 35(1) of the *Canada Petroleum Resources Act* with respect to those frontier lands in the Taglu area, NWT comprising grid areas:

Latitude	Longitude	Sections
69° 30' N	134° 45' W	22, 23, 31, 32, 33, 41, 42, 43, 44, 51, 52, 53, 54
69° 30' N	135° 00' W	2, 3, 4, 12, 13, 14

2. *Paramount Resources Ltd.* was granted a production license EPO-1-2004 on 21 April 2004 for the Cameron Hills Field pursuant to the *Canada Oil and Gas Operations Act*. (Not reported in the April 2004 *Regulatory Agenda*)

3. *Imperial Oil Resources Ltd.* was given approval on 30 July 2004 to construct a sludge handling facility located at the F-31X injection wellsite pursuant to the *Canada Oil and Gas Operations Act*.

4. *Geological, geophysical or geotechnical operation:* three applications were approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act*.

Company	Area	Operation ID	Date
Northrock Resources Ltd.	Central Mackenzie Valley	9229-N046-003E	28 July 2004
Northrock Resources Ltd.	Central Mackenzie Valley	9237-N046-001E	28 July 2004
Devon Canada Corporation	Mackenzie Delta	9333-D031-003E	28 July 2004

Pipeline Matters

Matters Completed

1. *Enbridge Pipelines Inc. (Enbridge) and PMC (Nova Scotia) Company on Behalf of Plains Marketing Canada, L.P. (PMC) (Files 3400-P102-3 and 3400-E101-67)*

On 5 July 2004, the Board approved a joint application dated 16 June 2004 by Enbridge and PMC for leave to lease Tank No. 76 located in Regina, Saskatchewan from Enbridge to PMC.

2. *Westcoast Energy Inc. (WEI) – Sale of a Pipeline (File 3400-W005-331)*

On 20 July 2004, the Board approved an application dated 23 June 2004 from WEI to sell the 10.61 kilometre Buick Creek East Pipeline located in northern British Columbia, including the flare and pigging facilities, to Canadian Natural Resources.

3. *Trans-Northern Pipelines Inc. (TNPI) - Capacity Expansion/Line Reversal - Route Deviation in Parc d'Oka (File 3200-T002-1-2)*

On 22 July 2004, the Board approved an application dated 5 February 2004 from TNPI for approval of a new route in Parc d'Oka, Quebec.

4. Section 58 Applications

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. *TransCanada PipeLines Limited (TCPL) – Final Tolls for 2003 (Files 4200-T001-18 and 4400-T001-23)*

On 7 July 2004, the Board approved an application dated 8 June 2004 from TCPL requesting that the interim tolls for 2003 be made final tolls.

2. *TransCanada PipeLines Limited (TCPL) – Interim Tolls Effective 1 August 2004 (File 4400-T001-23)*

On 22 July, the Board approved an application dated 6 July 2004 from TCPL for approval of interim tolls on its Mainline system effective 1 August 2004.

3. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls Task Force Resolution (File 4775-T001-1/04-2)*

The Board approved the following resolution of the 2004 Tolls Task Force:

Resolution No.	Date Approved	Subject
02.2004	15 July 2004	Amendments to the Mainline Tariff – Interruptible Transportation Toll Schedule – FT Risk Alleviation Mechanism

Matter Pending

4. *TransCanada PipeLines Limited (TCPL) – Quarterly Surveillance Reports (QSR) – Complaints (Files 4750-T001-2003-4A and 4750-T001-2004-1A)*

On 12 May 2004, the Canadian Association of Petroleum Producers (CAPP) filed a complaint regarding TCPL's QSR for the year ended 31 December 2003. On 8 June 2004, Coral Energy Canada Inc. (Coral) and the Cogenerators Alliance filed a complaint regarding TCPL's QSR for the quarter ended 31 March 2004.

CAPP's complaint regarding the QSR was that TCPL had not complied with the requirements of the Board's *Toll Information Regulation* and Guide BB of the Board's *Filing Manual* because TCPL had reported actual costs that included costs for inclusion in 2003 tolls that were incurred by TCPL but were disallowed by the Board in the RH-1-2002 Decision.

Coral and Cogenerators Alliance's complaint was that TCPL had not complied with the requirements of the *Toll Information Regulations* and Guide BB of the Board's *Filing Manual* because TCPL is required to report its actual costs in the QSR and that it has not done so for the first quarter of 2004.

On 18 June 2004, the Board sought comments on the complaints from TCPL and reply comments from CAPP and Coral and the Cogenerators Alliance.

Appeals and Review

Appeals Pending

1. *Natural Gas Steering Committee (NGSC) – Application for Leave to Appeal the 2003 NEB Decision Relating to Westcoast Energy Inc.'s (WEI) Final 2003 Tolls*

The NGSC has applied to the Federal Court of Appeal for leave to appeal the Board's Decision dated 27 November 2003 regarding an application from WEI for approval of final tolls for 2003. The NGSC asked the Federal Court for a stay of the application pending the determination of the review application discussed below in item 3.

2. *Sumas Energy 2, Inc (SE2) – Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia.

On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

Review Completed

3. *Natural Gas Steering Committee (NGSC) – Application to Review the Board's Decision Relating to Westcoast Energy Inc.'s (WEI) Final 2003 Tolls*

On 7 July 2004, the Board rendered its decision on a review application filed by NGSC. The Board's decision can be found on our Web site under *Regulatory Documents*.

On 24 December 2003, the NGSC asked the Board to review its WEI 2003 Final Tolls Decision of 27 November 2003 and to amend Order TG-7-2003 to require WEI to include the full benefit of the 2003 Overhead During Construction (ODC) tax adjustment in the 2003 tolls. The NGSC also requested that the Board establish a review

process to review the treatment of indirect ODC deductions in the 1997 to 2001 toll orders.

On 26 February 2004, the Board granted a request from NGSC to review a previous WEI tolls decision. The issues that the Board decided to review were:

- 1. *Whether the Board erred in not finding that the 2003 ODC adjustment resulted from reassessments within the meaning of the 1997-2001 Settlement; and***
- 2. *Whether the Board did not consider and determine NGSC's request for a review of the 1997-2001 Settlement Toll Orders as well as the 15 April 1999 Board decision.***

The Board conducted the review through a written process.

Amendments to Regulations

Regulatory Initiative Pursuant to the *National Energy Board Act*

1. *National Energy Board Pipeline Crossing Regulations, Part I and Part II - Damage Prevention Regulations*

On 14 November 2003, the Board sought comments from the public on the *Draft Guidance Notes for the National Energy Board Damage Prevention Regulations*. The document contained the draft legal text of the Board's proposed *Damage Prevention Regulations* and the proposed guidance. The deadline for written comments was 31 March 2004.

The Board intends to replace the existing *Pipeline Crossing Regulations, Part II* with regulations targeted at damage prevention (to be known as *Damage Prevention Regulations*).

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

2. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

3. *The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations*

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. *The Canada Oil and Gas Geophysical Operations Regulation (Regulations)*

The Regulations are being amended in order to satisfy concerns raised by the Standing Joint Committee for the Scrutiny of Regulations and to reflect advances in electronic data storage and communications. Some of the changes are designed to render provisions of the Regulations consistent in both official languages and to reflect changes made since the adoption of the *Department of Canadian Heritage Act*.

Regulatory Initiative Pursuant to the *Canada Labour Code*

5. *Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II*

For more information on this matter, refer to item 6 under *Amendments to Regulations and Guidelines* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Upcoming Energy Market Assessment Report

Looking Ahead to 2010 - Natural Gas Markets in Transition (to be published in August 2004)

The report will summarize the Board's findings following a series of Roundtable discussions held in February 2004. It will explore how natural gas

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National Energy Board
Michel L. Mantha
Secretary

For information:

Denis Tremblay, Communications Officer
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Email: dtremblay@neb-one.gc.ca

Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
TransCanada PipeLines Limited	File: 3400-T001-232 Order: XG-T001-27-2004	Application dated 20 May 2004; approved on 6 July 2004. Cathodic Protection Program No. 2 in Ontario.	1 876 000
TransCanada PipeLines Limited – BC System	File: 3400-T054-11 Order: XG-T054-28-2004	Application dated 20 May 2004; approved on 12 July 2004. Piping modifications to the Sparwood Meter Station in southeast British Columbia.	232 000
	File: 3400-T054-13 Order: XG-T054-30-2004	Application dated 29 June 2004; approved on 16 July 2004. Replace the Gold Creek bridge in southeast British Columbia.	120 000
Westcoast Energy Inc.	File: 3400-W005-327 Order: XG-W005-29-2004	Application dated 18 June 2004; approved on 16 July 2004. Install a crossover between the 8 inch Northwest Helmet Extension and the 16 inch North Helmet Loop Pipeline within the Fort Nelson Field Service area.	52 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Terasen Pipelines (Trans Mountain) Inc.	File: 3400-T099-8 Order: XO-T099-15-2004	Application dated 5 January 2004; approved on 23 July 2004. Crossing Replacement – Coldwater River #3 at kilometre 941.7 in British Columbia.	1 947 000
Trans-Northern Pipelines Inc.	File: 3400-T002-63 Order: XO-T002-13-2004	Application dated 16 June 2004; approved on 8 July 2004. Pipeline replacements in the Township of Cramache, County of Northumberland, Ontario.	500 000
	File: 3400-T002-64 Order: XO-T002-14-2004	Application dated 16 June 2004; approved on 15 July 2004. Lower a pipeline at Wilmot Creek in the Municipality of Clarington, Ontario.	420 000
	File: 3400-T002-65 Order: XO-T002-16-2004	Application dated 12 July 2004; approved on 29 July 2004. Pipeline replacements in the Township of Charlottenburgh, City of Cornwall, County of Dundas and Glengarry, Ontario.	300 000

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of August 2004

Energy Market Assessment - Looking Ahead to 2010 Natural Gas Markets in Transition

On 5 August 2004, the Board issued an Energy Market Assessment report entitled *Looking Ahead to 2010 - Natural Gas Markets in Transition*.

The report summarizes the feedback and recommendations the Board received during a cross-Canada consultation on the future of natural

gas markets in Canada, as well as details on specific actions the Board will take in response to these recommendations. The report is available on the Board's Web site at www.neb-one.gc.ca under *Publications*.

Public Awareness Workshop 2004

The Board will be holding its fifth Public Awareness Workshop for Buried Pipelines at the Queen Elizabeth Hotel in Montréal, Quebec from 26 to 28 September 2004. The Public Awareness Workshop is a forum for industry to share its best public awareness practices related to damage prevention and emergency response.

A key goal of the Board is to ensure the safety of NEB regulated pipelines. These workshops are critical in achieving this goal and ensuring that

Canadians are well prepared to live and work safely around pipelines.

The Agenda for the Workshop is available on the Board's Web site at www.neb-one.gc.ca under *Safety and Environment, Awareness*. For further information on the Workshop, please contact Stella Hiebert (shiebert@neb-one.gc.ca), Awareness 2004 Project Administrator or call (403) 299-2787 or call toll free 1-800-899-1265.

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Public Hearing Applications

Decision Rendered

1. *Westcoast Energy Inc. (WEI) – 2004 Tolls – RH-1-2004 (File 4200-W005-16)*

On 20 August 2004, the Board approved an application from WEI for approval of a negotiated settlement for final tolls for 2004 and a methodology for 2005 tolls for mainline transmission service in Zones 3 and 4. The Board also approved a revision to the tolls incorporated in the settlement for 2004 to reflect the outcome of a Board decision on 8 July 2004 relating to certain income tax adjustments concerning WEI. The Board was of the view that the settlement results in tolls that are just and reasonable.

WEI estimates the revenue requirement for 2004 to be approximately \$240.4 million, compared to the 2003 revenue requirement of approximately \$247.3 million. The estimated revenue requirement for 2005 is \$257.7 million. This is reflected in a decrease in the 2004 tolls Transportation North - long haul of 11.5 per cent and an increase in 2005 of 13.6 per cent. For Transportation South - Huntingdon Delivery Area, the tolls would increase by one per cent in 2004 and 5.4 per cent in 2005.

Hearing in Progress

1. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls – RH-2-2004 (File 4200-T001-19)*

The Board is holding a two-phase public hearing on an application from TCPL for approval of new tolls it may charge on its mainline system for the period 1 January to 31 December 2004. Phase I of the hearing was held from 14 to 25 June 2004 in Ottawa, Ontario. During Phase I, the Board considered all issues raised by the 2004 Tolls Application, with the exception of Cost of Capital. Phase II of the hearing will commence on 22 November 2004 in Calgary, Alberta.

2. *TransCanada PipeLines Limited (TCPL) – North Bay Junction – RH-3-2004 (File 4775-T001-12)*

The Board is holding a public hearing which commenced on 16 August 2004, in Montréal, Quebec on an application from TCPL for approval to establish a new receipt and delivery point at North Bay, Ontario, corresponding tolls and services, and to remove North Bay from the existing Northern Delivery Area.

Project Description Filed

1. *Gaz Métro Limited Partnership, Gaz de France and Enbridge Inc., (Proponents) – Rabaska Liquefied Natural Gas (LNG) Project (File 3200-G070-1)*

On 11 August 2004, the public was invited to comment on the draft environmental assessment scoping document that the Proponents filed to construct a liquefied natural gas (LNG) terminal in the Ville Guay/Beaumont area, located at the limits of the cities of Lévis and Beaumont, Quebec. The project is known as the Rabaska Project. The principal components of the proposed project include a jetty to receive the LNG tankers, a terminal comprising two storage tanks and vaporization equipment, and approximately 50 kilometres of pipeline to connect the LNG terminal to the existing facilities of Gazoduc Trans Québec & Maritimes Inc. (TQM) in Saint-Nicolas, Quebec.

The Rabaska Project is subject to the federal environmental assessment process pursuant to the *Canadian Environmental Assessment Act*. The National Energy Board, the Department of Fisheries and Oceans Canada, and Transport Canada are responsible authorities (RAs) for the Rabaska Project and will ensure that an environmental assessment is undertaken. The RAs have determined the proposed scope of the project for the purposes of the environmental assessment, the factors proposed to be considered in its assessment, and the proposed scope of those factors. The scope of the environmental assessment, along with other details of the environmental assessment process and the opportunities for public participation, can be found in a document entitled *Rabaska Project - Environmental Assessment Scoping Document*. The *Draft Rabaska Project Environmental Assessment Scoping Document* is available on the National Energy Board's Internet site at www.neb-one.gc.ca.

The proposed LNG terminal, which would be capable of delivering 14.2 million cubic metres per day of vaporized gas, would be constructed in Ville Guay/Beaumont, Quebec. LNG taken from various places in the Atlantic basin would be delivered to the proposed terminal by means of about 60 LNG tankers per year. The proposed jetty would be able to accommodate LNG tankers ranging between 138 000 to 160 000 cubic metres in capacity.

A pipeline of approximately 50 kilometres from the proposed terminal would have to be constructed to connect to TQM's facilities in Saint Nicolas, Quebec. Construction of the facilities is proposed for 2006 to 2008.

Expected Application

1. Proposed Mackenzie Gas Project

On 18 August 2004, the Minister of Environment Canada, the Chairperson of the Mackenzie Valley Environmental Impact Review Board and the

Chair of the Inuvialuit Game Council, announced the establishment of a seven member joint panel to review the Mackenzie Gas Project. The three parties signed an agreement and finalized the Terms of Reference for the review of the proposed project. For the biographical information on each of the panel members and other documents see the Web sites of the Northern Gas Project Secretariat at www.ngps.nt.ca, the Canadian Environmental Assessment Agency at www.ceaa-acee.gc.ca and the Mackenzie Valley Environmental Impact Review Board at www.mveirb.nt.ca.

Non Hearing Applications

Electricity Matters

Matter Completed

1. The Cincinnati Gas & Electric Company (CG&E) – Electricity Export (File 6200-C230-1)

On 24 August 2004, the Board approved applications dated 11 and 25 June 2004 from CG&E for permits to export up to 1 000 megawatts of firm power and up to 8 760 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

Matters Pending

2. ALLETE, Inc. d/b/a Minnesota Power (MP) – Electricity Export (File 6200-A172-1)

On 10 June 2004, MP applied for permits to export up to 200 megawatts of firm power and up to 600 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

3. Manitoba Hydro – Electricity Export (File 6200-M020-15)

On 30 June 2004, Manitoba Hydro applied for permits to export up to 3 000 kilowatts of firm power and 26 352 megawatt-hours of firm energy per year for a period of five years.

Frontier Matters

1. *Apache Canada Ltd.*'s Well Termination Records for the wells Nogha B-23, Tunago Lake E-44, Lac Maunoir C-34 and West Nogha K-14 were approved on 4 August 2004.

2. *Paramount Resources Ltd.* was granted Production Operation Authorization EPO-03-2004 on 26 July 2004.

Pipeline Matters

Safety Advisory

On 19 August 2004, the Board published a Safety Advisory regarding the need to predict and control hydrate formation in pipeline systems. The Safety Advisory is available on the Board's Web site at www.neb-one.gc.ca under *Safety and Environment*.

Matters Completed

1. Westcoast Energy Inc. (WEI) – Purchase of Pipelines (File 3400-W005-321)

On 26 August 2004, the Board approved an application dated 26 February 2004 from WEI to purchase from BP Canada Energy Corporation two pipelines in British Columbia. The first pipeline is 11.47 kilometres in length and 406.4 millimetres in size commencing at P. &NG c-63-F/93-I-9 and terminating at c-12-L/93-I-9. The second pipeline is 5.3 kilometres in length and 273 millimetres in size commencing at P. &NG b-57-G/93-I-9 and terminating at c-63-F/93-I-9.

2. Section 58 Applications

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Traffic, Tolls and Tariffs Matters

Matter Completed

1. *TransCanada PipeLines Limited (TCPL)*
 - *Quarterly Surveillance Reports (QSR)*
 - *Complaints (Files 4750-T001-2003-4A and 4750-T001-2004-1A)*

On 12 May 2004, the Canadian Association of Petroleum Producers (CAPP) filed a complaint regarding TCPL's QSR for the year ended 31 December 2003. On 8 June 2004, Coral Energy Canada Inc. (Coral) and the Cogenerators Alliance filed a complaint regarding TCPL's QSR for the quarter ended 31 March 2004.

CAPP's complaint regarding the QSR was that TCPL had not complied with the requirements of the Board's *Toll Information Regulations* and Guide BB of the Board's *Filing Manual* because TCPL had reported actual costs that included costs for inclusion in 2003 tolls that were incurred by TCPL but were disallowed by the Board in the RH-1-2002 Decision.

Coral and Cogenerators Alliance's complaint was that TCPL had not complied with the requirements of the *Toll Information Regulations* and Guide BB of the Board's *Filing Manual* because TCPL is required to report its actual costs in the QSR and that it has not done so for the first quarter of 2004.

On 18 June 2004, the Board sought comments on the complaints from TCPL and reply comments from CAPP and Coral and the Cogenerators Alliance.

On 12 August 2004, the Board decided as follows:

- i) with respect to CAPP's request, the Board was of the view that the QSR filed by TCPL for the year ended 31 December 2003 meets the current requirements of the Board's *Filing Manual* and the *Toll Information Regulations*, therefore, the Board denied CAPP's request to direct TCPL to resubmit a new surveillance report; and,
- ii) with respect to Coral and Cogenerators Alliance's request, the Board directed TCPL to provide reconciliation for each line item which has been equalized in its first QSR for 2004 and to provide similar reconciliation in all future QSR filings.

Matter Pending

2. *Enbridge Pipelines Inc. (Enbridge) – Interim Tolls on Line 9 (File 4400-E101-5)*

On 13 August 2004, Enbridge applied for Interim Tolls on Line 9. On 24 August 2004, the Board decided to seek comments from interested parties, by 8 September 2004, on the application and reply comments from Enbridge by 20 September 2004.

Appeal

Appeal Pending

1. *Sumas Energy 2, Inc. (SE2) – Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to

construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia.

On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

Amendments to Regulations

Regulatory Initiative Pursuant to the National Energy Board Act

1. *National Energy Board Pipeline Crossing Regulations, Part I and Part II - Damage Prevention Regulations*

On 14 November 2003, the Board sought comments from the public on the *Draft Guidance Notes for the National Energy Board Damage*

Prevention Regulations. The document contained the draft legal text of the Board's proposed *Damage Prevention Regulations* and the proposed guidance. The deadline for written comments was 31 March 2004.

The Board intends to replace the existing *Pipeline Crossing Regulations, Part II* with regulations targeted at damage prevention (to be known as the *Damage Prevention Regulations*).

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

2. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

3. *The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations*

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. *The Canada Oil and Gas Geophysical Operations Regulation (Regulations)*

The Regulations are being amended in order to satisfy concerns raised by the Standing Joint

Committee for the Scrutiny of Regulations and to reflect advances in electronic data storage and communications. Some of the changes are designed to render provisions of the Regulations consistent in both official languages and to reflect changes made since the adoption of the *Department of Canadian Heritage Act*.

Regulatory Initiative Pursuant to the *Canada Labour Code*

5. *Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II*

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Instructions for Filing

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Westcoast Energy Inc.	File: 3400-W005-333 Order: XG-W005-32-2004	Application dated 14 July 2004; approved on 6 August 2004. Ground bed installations at 83 Mile Creek and Zopkios, British Columbia.	30 000
	File: 3400-W005-332 Order: XG-W005-33-2004	Application dated 28 June 2004; approved on 10 August 2004. Ground bed installation at kilometre 20.8 of the T-South Mainline.	40 000
	File: 3400-W005-334 Order: XG-W005-34-2004	Application dated 23 July 2004; approved on 24 August 2004. Ground bed replacement on the Fort Nelson Mainline at kilometre 57.3.	40 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Enbridge Pipelines (Westspur) Inc.	File: 3400-E103-15 Order: XO-E103-19-2004	Application dated 10 August 2004; approved on 26 August 2004. Replace a tank at the Midale Terminal in Saskatchewan.	300 000
Terasen Pipelines (Trans Mountain) Inc.	File: 3400-T099-11 Order: XO-T099-17-2004	Application dated 29 July 2004; approved on 6 August 2004. Replace pipeline segments between Darfield and Kamloops, British Columbia.	125 000
	File: 3400-T099-10 Order: XO-T099-18-2004	Application dated 29 July 2004; approved on 6 August 2004. Relocate mainline block valve from kilometre 779 to kilometre 784.85.	140 000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this Regulatory Agenda is the month of September 2004

Public Hearing Applications

Decision Rendered

1. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls – Phase I – RH-2-2004 (File 4200-T001-19)*

On 10 September 2002, the Board approved, subject to approval of cost of capital, a net revenue requirement and rate base for TCPL for new tolls it may charge on its Mainline for the period 1 January to 31 December 2004. Phase I of the hearing, which was held from 14 to 25 June 2004 in Ottawa, Ontario, considered all aspects of TCPL's application with the exception of cost of capital, which will be the subject of Phase II of the hearing, scheduled to commence on 29 November 2004 in Calgary, Alberta.

Subject to any impact resulting from the Phase II decision, the Board approved a net revenue requirement for 2004 of \$1.7 billion and a rate base of \$8.2 billion. This compares to the 2003 net revenue requirement of \$1.9 billion and a rate base of \$8.6 billion. The Board decided that the Mainline's tolls will remain interim at their existing level pending the issuance of the Phase II decision. The current Eastern Zone interim toll is \$1.189 per gigajoule.

The Board also approved a proposed non-renewable firm transportation service which will be a biddable service provided for term-limited blocks of capacity made available when TCPL awards firm contracts commencing more than one year in the future.

The Board denied a proposed Fuel Gas Incentive Program and directed that TCPL file for approval of the Board, an updated Code of Conduct with affiliates on or before 28 February 2005.

Hearing Completed

1. *TransCanada PipeLines Limited (TCPL) – North Bay Junction – RH-3-2004 (File 4775-T001-12)*

The Board held a public hearing from 16 August to 10 September 2004 in Montréal, Quebec and Calgary, Alberta on an application from TCPL for approval to establish a new receipt and delivery point at North Bay, Ontario, corresponding tolls and services, and to remove North Bay from the existing Northern Delivery Area.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety,
Environmental Protection and
Economic Efficiency"**

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Hearing Scheduled

1. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls – Phase II - RH-2-2004 (File 4200-T001-19)*

The Board will hold Phase II of a public hearing, commencing on 29 November 2004 in Calgary, Alberta, on an application from TCPL for approval of new tolls it may charge on its mainline system for the period 1 January to 31 December 2004. Phase II of the hearing will deal with cost of capital matters. Phase I of the hearing was held from 14 to 25 June 2004 in Ottawa, Ontario and the Reasons for Decision were issued on 10 September 2004 (see Decision Rendered above). During Phase I, the Board considered all issues raised by the 2004 Tolls Application, with the exception of cost of capital.

Project Description Filed

1. *Gaz Métro Limited Partnership, Gaz de France and Enbridge Inc. (Proponents) – Rabaska Liquefied Natural Gas (LNG) Project (File 3200-G070-1)*

On 11 August 2004, the public was invited to comment on the draft environmental assessment scoping document that the Proponents filed to construct a liquefied natural gas (LNG) terminal in the Ville Guay/Beaumont area, located at the limits of the cities of Lévis and Beaumont, Quebec. The project is known as the Rabaska Project. The principal components of the proposed project include a jetty to receive the LNG tankers, a terminal comprising two storage tanks and vaporization equipment, and approximately

50 kilometres of pipeline to connect the LNG terminal to the existing facilities of Gazoduc Trans Québec & Maritimes Inc. (TQM) in Saint-Nicolas, Quebec.

The Rabaska Project is subject to the federal environmental assessment process pursuant to the *Canadian Environmental Assessment Act*. The National Energy Board, the Department of Fisheries and Oceans Canada, and Transport Canada are responsible authorities (RAs) for the Rabaska Project and will ensure that an environmental assessment is undertaken. The RAs have determined the proposed scope of the project for the purposes of the environmental assessment, the factors proposed to be considered in its assessment, and the proposed scope of those factors. The *Draft Rabaska Project Environmental Assessment Scoping Document* is available on the Board's Internet site at www.neb-one.gc.ca.

The proposed LNG terminal, which would be capable of delivering 14.2 million cubic metres per day of vaporized gas, would be constructed in Ville Guay/Beaumont, Quebec. LNG taken from various places in the Atlantic basin would be delivered to the proposed terminal by means of about 60 LNG tankers per year. The proposed jetty would be able to accommodate LNG tankers ranging between 138 000 to 160 000 cubic metres in capacity. A pipeline of approximately 50 kilometres from the proposed terminal would have to be constructed to connect to TQM's facilities in Saint Nicolas, Quebec. Construction of the facilities is proposed for 2006 to 2008.

Non Hearing Applications

Electricity Matters

Matters Pending

1. *ALLETE, Inc. d/b/a Minnesota Power (MP) – Electricity Export (File 6200-A172-1)*

On 10 June 2004, MP applied for permits to export up to 200 megawatts of firm power and up to 600 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

2. *Manitoba Hydro – Electricity Export (File 6200-M020-15)*

On 30 June 2004, Manitoba Hydro applied for permits to export up to 3 000 kilowatts of firm

power and 26 352 megawatt-hours of firm energy per year for a period of five years.

3. *Rainbow Energy Marketing Corporation (Rainbow) – Electricity Export (File 6200-R043-1)*

On 24 September 2004, Rainbow applied for permits to export up to 1 250 megawatts of combined firm and interruptible power and 3 000 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.



Frontier Matters

1. *ConocoPhillips Canada (North) Limited (ConocoPhillips) – Application dated October 2003 for Declaration of Commercial Discovery - Significant Discovery Licences 032 and 030*

On 16 September 2004, the Board issued to ConocoPhillips a declaration of commercial discovery pursuant to Part II.1, subsection 28.2(4) of the *National Energy Board Act* and to Part IV, subsection 35(1) of the *Canada Petroleum Resources Act* with respect to those frontier lands in the Parsons Lake Area, Northwest Territories comprising grid areas:

Licences	Latitude	Longitude	Sections
SDL 030	69° 00'	133° 15' W	38, 39, 47-49, 56, 57
SDL 032	68° 50'	133° 30' W	60
	69° 00'	133° 15' W	58-60
	69° 00'	133° 30' W	SW/4, 7-10, 17-20, 27-30, 36-40, 46-49, 56
	69° 00'	133° 45' W	1-6, 13, 14
	69° 10'	133° 30' W	1-6, 11-16, 21-23, 31, 32
SDL 062	69° 10'	133° 15' W	51-54

2. *Anadarko Canada Energy Co. (Anadarko) - Application dated 9 April 2003 for Significant Discovery Declaration*

On 16 September 2004, the Board issued a declaration of significant discovery to Anadarko pursuant to Part II.1, subsection 28.2(4) of the *National Energy Board Act* and to Part III, subsection 28(1) of the *Canada Petroleum Resources Act* with respect to those frontier lands in the Liard area, Northwest Territories comprising grid areas:

Latitude	Longitude	Sections
60° 30' N	123° 15' W	73, 74, 75
60° 30' N	123° 30' W	4-6, 15-18, 26-28

3. *Devlan Exploration Inc.*'s "Well Termination Record" for the well Moose Lake D-07 was approved on 22 September 2004.
4. *Paramount Resources Ltd.* was given approval on 22 September 2004 to alter the condition of the well Liard M-25.
5. *Paramount Resources Ltd.* was given approval on 30 September 2004 to alter the condition of the well Liard 2K-29.

Pipeline Matter

Matter Completed

1. *Section 58 Applications*

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Traffic, Tolls and Tariffs Matter

Matter Completed

1. *Enbridge Pipelines Inc. (Enbridge) – Interim Tolls on Line 9 (File 4400-E101-5)*

On 17 September 2004, the Board approved an application dated 13 August 2004 from Enbridge for approval of interim tolls on Line 9 for the period 1 October to 31 December 2004.

Appeal

Appeal Pending

1. *Sumas Energy 2, Inc. (SE2) – Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to

construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia.

On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

Amendments to Regulations

Regulatory Initiative Pursuant to the *National Energy Board Act*

1. *National Energy Board Pipeline Crossing Regulations, Part I and Part II - Damage Prevention Regulations*

On 14 November 2003, the Board sought comments from the public on the *Draft Guidance Notes for the National Energy Board Damage Prevention Regulations*. The document contained the draft legal text of the Board's proposed *Damage Prevention Regulations* and the proposed guidance. The deadline for written comments was 31 March 2004.

The Board intends to replace the existing *Pipeline Crossing Regulations, Part II* with regulations targeted at damage prevention (to be known as the *Damage Prevention Regulations*).

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

2. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

3. *The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations*

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4. *The Canada Oil and Gas Geophysical Operations Regulation (Regulations)*

The Regulations are being amended in order to satisfy concerns raised by the Standing Joint Committee for the Scrutiny of Regulations and to reflect advances in electronic data storage and communications. Some of the changes are designed to render provisions of the Regulations consistent in both official languages and to reflect changes made since the adoption of the *Department of Canadian Heritage Act*.

Regulatory Initiative Pursuant to the *Canada Labour Code*

5. *Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II*

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Energy Market Monitoring Program

NEB Seeks Comments on Proposed Future Energy Market Assessment Reports

The Board has a responsibility to monitor energy supply and market developments in Canada. Our objective is to keep Canadians informed on a timely basis about the functioning of Canadian energy markets through objective, unbiased and high quality analysis. We also use the program to support our regulatory responsibilities.

The following energy market assessments are currently under development.

Conventional Natural Gas Resources of Alberta: An Assessment of Ultimate Potential (being conducted in partnership with the EUB). Expected release date: January 2005.

Short-term Canadian Natural Gas Deliverability, 2004-2006. This report is an update of the December 2003 study and will include WCSB and east coast production. Expected release date: November 2004.

Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential (being conducted in partnership with the BC Department of Energy and Mines). Expected release date: Summer 2005.

Potential Energy Market Assessments

The Board is in the midst of planning its EMA program for the coming years and is considering initiating the reports listed below. The Board sought public feedback on the list of proposed EMAs. It posed the following questions: Given that limited resources may preclude our undertaking all these studies, which ones should be given priority? Do you have any views on the scope of these studies as they are described? Are there other energy issues facing Canadians which should be added to the list?

- i) Natural Gas for Power Generation: Issues and Implications
- ii) Short-term Outlook for Oil, Natural Gas and Natural Gas Liquids
- iii) Electricity Exports and Imports - Update
- iv) Assessment of Canada's Unconventional Gas Resources
- v) Alternative and Renewable Energy Sources
- vi) Impact of High Energy Prices.

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Michel L. Mantha
Secretary

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Gazoduc Trans Québec & Maritimes Inc.	File: 3400-T028-37 Order: XG-T028-38-2004	Application dated 9 September 2004; approved on 27 September 2004. Upgrade portions of its cathodic protection system.	34 300
TransCanada PipeLines Limited, BC System	File: 3400-T054-10 Order: XG-T054-36-2004	Application dated 20 May 2004; approved on 10 September 2004. Contaminant sampling and remediation program 2004.	38 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Husky Oil Limited (Husky)	File: 3400-H046-3 Order: XO-H046-21-2004	Application dated 16 July 2004; approved on 21 September 2004. Construct approximately 8 kilometres of crude oil pipeline from East Till Junction, Saskatchewan to Lloydminster, Alberta.	6 500 000

Profile

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of October 2004

Public Hearing Applications

Hearing Completed

1. *TransCanada Pipelines Limited (TCPL) – North Bay Junction – RH-3-2004 (File 4775-T001-12)*

The Board held a public hearing from 16 August to 10 September 2004 in Montréal, Quebec and Calgary, Alberta on an application from TCPL for approval to establish a new receipt and delivery point at North Bay, Ontario, corresponding tolls and services, and to remove North Bay from the existing Northern Delivery Area.

Hearing Scheduled

1. *TransCanada Pipelines Limited (TCPL) – 2004 Tolls – Phase II - RH-2-2004 (File 4200-T001-19)*

The Board will hold Phase II of a public hearing, commencing on 29 November 2004 in Calgary, Alberta, on an application from TCPL for approval of new tolls it may charge on its mainline system for the period 1 January to 31 December 2004. Phase II of the hearing will deal with cost of capital matters.

Phase I of the hearing was held from 14 to 25 June 2004 in Ottawa, Ontario and the Reasons for Decision were issued on 10 September 2004. During Phase I, the Board considered all issues raised by the 2004 Tolls Application, with the exception of cost of capital.

Hearing Application Filed

1. *Imperial Oil Resources Ventures Limited, Aboriginal Pipeline Group, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties – Mackenzie Gas Project (Files 200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

On 7 October 2004, Imperial, on behalf of the above-noted companies, applied for approval to construct and operate a natural gas pipeline and related facilities through the Mackenzie Valley in Canada's Northwest Territories (NWT) to an interconnect point just south of the border with Alberta.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety,
Environmental Protection and
Economic Efficiency"**

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The Mackenzie Gas Project would be anchored by three onshore natural gas fields known as Taglu, Parsons Lake and Niglintgak, operated by Imperial, ConocoPhillips, and Shell, respectively. Imperial also applied for approval to construct and operate a 176 kilometre (109 mile) gas gathering system to collect the gas from the three fields and deliver it to a processing facility near Inuvik. At the processing facility, natural gas liquids would be separated out. The natural gas would enter the proposed 1 220 kilometre (758 mile) pipeline and the liquids would enter a smaller, parallel pipeline of approximately 475 kilometres (295 miles) that would connect to the Enbridge Pipelines (NW) Inc. pipeline at Norman Wells.

The 762 millimetre (30 inch) natural gas transmission pipeline is planned to transport 34 million cubic metres (1.2 billion cubic feet) per day. The capital cost of the Mackenzie Gas Project is estimated at over \$7 billion. It is planned to be in operation by 2009.

The Environmental Impact Assessment for the Mackenzie Gas Project is being reviewed by the Joint Review Panel. The NEB is coordinating its regulatory review of Imperial's applications with that of the Joint Review Panel in accordance with the *Cooperation Plan for the Assessment and Regulatory Review of a Northern Gas Pipeline Project through the NWT*, dated June 2002.

The Joint Review Panel for the Mackenzie Gas Project, the Northern Gas Project Secretariat and the National Energy Board will be conducting public information sessions at the following locations:

- Inuvik: Monday, 15 November 2004
- Norman Wells: Tuesday, 16 November 2004
- Yellowknife: Wednesday, 17 November 2004.

The Northern Gas Project Secretariat will give an overview of the review process. The staff of the Joint Review Panel will give a presentation on the environmental assessment process of the project, and the staff of the National Energy Board will give a presentation on its regulatory review process. Staff will not be able to discuss the specific details of the project, as that will be the subject of the public hearings.

Project Description Filed

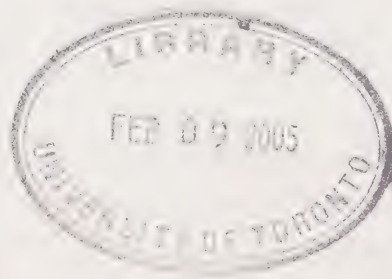
1. *Gaz Métro Limited Partnership, Gaz de France and Enbridge Inc. (Proponents) – Rabaska Liquefied Natural Gas (LNG) Project (File 3200-G070-1)*

On 11 August 2004, the public was invited to comment on the draft environmental assessment scoping document that the Proponents filed to construct a liquefied natural gas (LNG) terminal in the Ville Guay/Beaumont area, located at the limits of the cities of Lévis and Beaumont, Quebec. The project is known as the Rabaska Project.

The Rabaska Project is subject to the federal environmental assessment process pursuant to the *Canadian Environmental Assessment Act*. The National Energy Board, the Department of Fisheries and Oceans Canada, and Transport Canada are responsible authorities (RAs) for the Rabaska Project and will ensure that an environmental assessment is undertaken.

On 27 October 2004, the Board, on behalf of the RAs, submitted the *Environmental Assessment Track Decision Report* to the Minister of the Environment. The RAs recommended that the Rabaska Project be undertaken by means of a panel review.

The proposed LNG terminal, which would be capable of delivering 14.2 million cubic metres per day of vaporized gas, would be constructed in Ville Guay/Beaumont, Quebec. LNG taken from various places in the Atlantic basin would be delivered to the proposed terminal by means of about 60 LNG tankers per year. The proposed jetty would be able to accommodate LNG tankers ranging between 138 000 to 160 000 cubic metres in capacity. A pipeline of approximately 50 kilometres from the proposed terminal would have to be constructed to connect to Trans Québec & Maritimes Inc.'s facilities in Saint Nicolas, Quebec. Construction of the facilities is proposed for 2006 to 2008.



Non Hearing Applications

Electricity Matters

Matters Pending

1. *ALLETE, Inc. d/b/a Minnesota Power (MP)*
– *Electricity Export (File 6200-A172-1)*

On 10 June 2004, MP applied for permits to export up to 200 megawatts of firm power and up to 600 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

2. *Manitoba Hydro – Electricity Export*
(*File 6200-M020-15*)

On 30 June 2004, Manitoba Hydro applied for permits to export up to 3 000 kilowatts of firm power and 26 352 megawatt-hours of firm energy per year for a period of five years.

3. *Rainbow Energy Marketing Corporation (Rainbow) – Electricity Export*
(*File 6200-R043-1*)

On 24 September 2004, Rainbow applied for permits to export up to 1 250 megawatts of combined firm and interruptible power and 3 000 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

Frontier Matters

1. *Shell Canada Limited (Shell) - Application dated April 2004 for Declaration of Commercial Discovery*

On 3 November 2004, the Board issued to Shell a declaration of commercial discovery pursuant to Part II.1, subsection 28.2(4) of the *National Energy Board Act* and to Part IV, subsection 35(1) of the *Canada Petroleum Resources Act* for the Niglintgak Gas Field with respect to those frontier lands in the Niglintgak area, Northwest Territories comprising grid areas:

Latitude	Longitude	Sections
69° 20'	135° 00' W	57, 58
68° 20'	135° 15' W	7-9, 18-20, 29, 30, 40
69° 30'	135° 15' W	21, 31
69° 20'	135° 15' W	17, 28, 39
69° 30'	135° 15' W	41

Pipeline Matter

Matter Completed

1. *Section 58 Applications*

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. *Coral Canada Energy Inc. (Coral) – Service on Foothills Pipe Lines Ltd.'s (Foothills) System*
(*File 4775-F006-1-1*)

On 21 October 2004, the Board denied an application from Coral dated 28 September 2004 for an Order of the Board to require Foothills to receive, transport and deliver two blocks of short-term firm service, both commencing on 1 November 2004 and terminating on 1 April and 1 May 2005 respectively.

The Board was not persuaded in this instance that the public interest would be served by granting an order. The Board found that although Foothills' Tariff does not specifically state its firm T-1 Service cannot be provided for periods of less than one year, it is apparent that Foothills' past practice has been consistent with its current position in that it has not provided a short term firm service. In addition, the Board noted that Foothills has continued to meet its shippers' short term requirements by providing access to all of its spare capacity through its interruptible Tier 1 and Tier 2 services.

It was the Board's view that the public interest would be better served by the consultative process outlined by Foothills including its intention to file an application on or before 15 December 2004 for approval of a short term firm service to be effective 1 January 2005. Shippers' concerns could then be fully addressed and a separate and discrete short term firm service, setting out the specifics of such a service, could be considered.

2. *Foothills Pipe Lines Ltd. (Foothills) – Tolls and Tariff Amendments (File 4200-F006-7 and 4400-F006-12)*

On 28 October 2004, the Board approved an application dated 30 September 2004 from Foothills for approval of certain modifications to the existing tolling methodology for fixing tolls and associated amendments to the Gas Transportation Tariff – Phase 1 as well as a number of other requests.

3. *Terasen Pipeline (Trans Mountain) Inc. (Terasen) – Interim Tolls (File 4775-T099)*

On 15 October 2004, the Board approved an application dated 28 September 2004 from Terasen for approval to make the current tolls interim effective 1 October 2004. Terasen will be filing an application for final tolls at a later date.

4. *Trans-Northern Pipelines Inc. (TNPI) – Final Tolls for 2004 (File 4200-T002-11-1)*

On 29 October 2004, the Board approved an application dated 26 October 2004 from TNPI for new final tolls for the period 1 November to 31 December 2004.

Matter under Review

5. *Westcoast Energy Inc. (WEI) – Southern Mainline Expansion Project (File 4775-W005-1-16)*

On 16 September 2004, WEI applied for authorization to recover certain costs associated with the Southern Mainline Expansion Project approved by the Board in the GH-1-2002 Reasons for Decision dated 28 January. On 4 October 2004, the Board decided to seek comments from interested parties on the application.

Appeal

Appeal Pending

1. *Sumas Energy 2, Inc. (SE2) – Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to

construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia.

On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

Amendments to Regulations

Regulatory Initiatives Pursuant to the National Energy Board Act

1. *Cost Recovery Regulations – Electricity – Review (File 175-A000-72-2)*

The Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders.

As part of the review, the Board will hold an all-day workshop on 9 December 2004 in Calgary, Alberta.

2. *National Energy Board Pipeline Crossing Regulations, Part I and Part II - Damage Prevention Regulations*

On 14 November 2003, the Board sought comments from the public on the *Draft Guidance*

Notes for the National Energy Board Damage Prevention Regulations. The document contained the draft legal text of the Board's proposed Damage Prevention Regulations and the proposed guidance. The deadline for written comments was 31 March 2004.

The Board intends to replace the existing *Pipeline Crossing Regulations, Part II* with regulations targeted at damage prevention (to be known as the Damage Prevention Regulations).

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

3. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. *The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations*

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

5. *The Canada Oil and Gas Geophysical Operations Regulation (Regulations)*

The Regulations are being amended in order to satisfy concerns raised by the Standing Joint Committee for the Scrutiny of Regulations and to reflect advances in electronic data storage and communications. Some of the changes are designed

to render provisions of the Regulations consistent in both official languages and to reflect changes made since the adoption of the *Department of Canadian Heritage Act*.

Regulatory Initiative Pursuant to the *Canada Labour Code*

6. *Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II*

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Appointments

David Hamilton

On 18 October 2004, Mr. David Hamilton was appointed temporary member of the Board for a term of two years for the purpose of matters related to the Mackenzie Gas Pipeline project.

Mr. Hamilton was appointed Clerk of the Legislative Assembly of the Northwest Territories in 1983 and served in that capacity for 20 years. He was also appointed Chief Electoral Officer for the Northwest Territories. Mr. Hamilton has been involved in the electoral process in Canada for over 30 years. Born in Aberdeen, Scotland, Mr. Hamilton came to Canada in 1970 where he began a long and challenging career working in Canada's North. Mr. Hamilton's over 33 years working in the North have been dedicated to the development of people and communities through both the parliamentary and democratic processes.

Mr. Hamilton holds a Masters of Arts in Leadership and Training from Royal Roads University, Victoria, British Columbia. Mr. Hamilton brings with him many diverse strengths and experience which will prove to be a great asset to the Board.

Jean-Paul Théorêt

On 20 October 2004, Mr. Théorêt was appointed Chairman of the Régie de l'énergie du Québec. Mr. Théorêt was appointed member of the NEB in 1999 and was designated Vice-Chairman in 2002.

Performance Report 2003-2004

On 28 October 2004, the Board's Performance Report 2003-2004 was tabled in the House of Commons. A copy of the report is available on the Treasury Board of Canada Secretariat Web site at http://www.tbs-sct.gc.ca/rma/dpr/03-04/NEB-ONE/NEB-ONEd34_e.asp.

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 - Fax: (403) 292-5503.

Applications - Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Submit a Document*.

Communication Numbers

General Information:

(403) 292-4800
1-800-899-1265

Publications Office:

Telephone: (403) 299-3562
Telecopier: (403) 292-5576
Email: publications@neb-one.gc.ca

Web Site:

www.neb-one.gc.ca

Telephone Numbers:

For a current list of the telephone numbers of Board Members and key staff, see our Internet site under the heading *About Us, Our People*.

National Energy Board
Michel L. Mantha
Secretary

For information:

Denis Tremblay, Communications Officer
Telephone: (403) 299-2717
Email: dtremblay@neb-one.gc.ca

Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
TransCanada PipeLines Limited	File: 3400-T001-232 Order: XG-T001-39-2004	Application dated 22 July 2004; approved on 4 October 2004. Cathodic Protection Program No. 3 in Manitoba and Ontario.	895 000
	File : 3400-T001-235 Order : XG-T001-41-2004	Application dated 16 September 2004; approved on 15 October 2004. Upgrade the pipeline at four sites near Ile des Chênes, Manitoba.	1 037 750
Westcoast Energy Inc.	File: 3400-W005-335 Order: XG-W005-40-2003	Application dated 16 September 2004; approved on 7 October 2004. Revetment at Juliet Creek in BC.	45 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Enbridge Pipelines Inc.	File: 3400-E101-69 Order: XO-E101-22-2004	Application dated 3 September 2004; approved on 14 October 2004. Remove 3.2 kilometres of pipeline in Canmore, Alberta.	400 000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of November 2004

Short-term Canadian Natural Gas Deliverability 2004-2006

On 25 November 2004, the Board issued an Energy Market Assessment entitled *Short-term Canadian Natural Gas Deliverability 2004-2006*. The objective of the report is to provide an outlook of

natural gas deliverability from the Western Canada Sedimentary Basin and east coast offshore through to the end of 2006.

Public Hearing Applications

Hearing Completed

1. *TransCanada PipeLines Limited (TCPL) – North Bay Junction – RH-3-2004 (File 4775-T001-12)*

The Board held a public hearing from 16 August to 10 September 2004 in Montréal, Quebec and Calgary, Alberta on an application from TCPL for approval to establish a new receipt and delivery point at North Bay, Ontario, corresponding tolls and services, and to remove North Bay from the existing Northern Delivery Area.

Hearing in Progress

1. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls – Phase II – RH-2-2004 (File 4200-T001-19)*

The Board is holding Phase II of a public hearing which commenced on 29 November 2004 in Calgary, Alberta on an application from TCPL for approval of new tolls it may charge on its mainline system for the period 1 January to 31 December 2004. Phase II of the hearing deals with cost of capital matters.

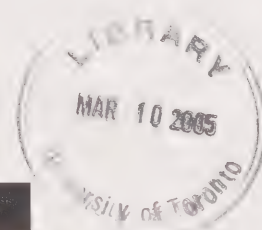
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Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

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Hearing Application Filed

1. *Imperial Oil Resources Ventures Limited, Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties – Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited, Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited, ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited.

The hearing will obtain evidence, including traditional knowledge, and views of interested persons with respect to the Mackenzie Gas Project. The Board's hearing process will be coordinated with the Environmental Impact Review of the Mackenzie Gas Project by the Joint Review Panel contemplated by the *Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project through the Northwest Territories*, dated June 2002.

The deadline for filing applications for intervenor status is 21 December 2004. The Board will announce at a later time the dates and locations of its public hearing.

The Mackenzie Gas Project includes a 1 220 kilometre (758 mile) pipeline to transport natural gas to a point of interconnection with the NOVA Gas Transmission Ltd. system in northern Alberta, a 480 kilometre (298 mile) pipeline to transport natural gas liquids to a point of interconnection with the Enbridge Pipelines (NW) Inc. Norman Wells Pipeline at Norman Wells, N.W.T., three onshore natural gas fields known as Taglu, Parsons Lake and Niglintgak, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations at Little Chicago, Norman Wells, Blackwater River and Trail River, N.W.T. and a heater station at Trout River, N.W.T.

The Joint Review Panel for the Mackenzie Gas Project, the Northern Gas Project Secretariat and the National Energy Board held public information sessions in November 2004 in Inuvik, Norman Wells, Yellowknife and Fort Simpson.

Non Hearing Applications

Electricity Matters

Matters Completed

1. *Manitoba Hydro – Electricity Export*
(File 6200-M020-15)

On 3 November 2004, the Board approved an application dated 30 June 2004 from Manitoba Hydro for a permit to export up to 3 000 kilowatts of firm power and 26 352 megawatt-hours of firm energy per year for the period 1 December 2004 to 30 September 2009.

2. *Rainbow Energy Marketing Corporation (Rainbow) – Electricity Export*
(File 6200-R043-1)

On 23 November 2004, the Board approved an application dated 24 September 2004 from Rainbow for permits to export up to 1 000 megawatts of firm power and 4 380 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

Matter Pending

3. *ALLETE, Inc. d/b/a Minnesota Power (MP) – Electricity Export* (File 6200-A172-1)

On 10 June 2004, MP applied for permits to export up to 200 megawatts of firm power and up to 600 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

Frontier Matters

1. *Paramount Resources Ltd. (Paramount) - Application dated 28 March 2003 for Significant Discovery Declaration*

On 25 November 2004, the Board issued a declaration of "Significant Discovery" to Paramount pursuant to Part II.1, subsection 28.2(4) of the *National Energy Board Act* and to Part III, subsection 28(1) of the *Canada Petroleum Resources Act* with respect to those frontier lands in the Mount Coty area, N.W.T. comprising grid areas:

Latitude	Longitude	Sections
60° 20' N	123° 15' W	71, 72, 73
60° 20' N	123° 30' W	2, 3, 4, 13, 14

2. *Chevron Canada Resources (Chevron) – Drilling*

Chevron was given approval on 26 November 2004 to drill wells Olivier H-01 and Olivier 2H-01 pursuant to section 83.(1) of the *Canada Oil and Gas Drilling Regulations*.

Pipeline Matter

Matter Completed

1. *Section 58 Applications*

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. *Rate of Return on Common Equity (ROE) for 2005* (File 4750-A000-11)

On 25 November 2004, the Board approved, pursuant to the ROE adjustment mechanism approved in the Multi-Pipeline Cost of Capital Decision (RH-2-94), as amended, a ROE of 9.46 per cent for the year 2005. The ROE for 2004 was 9.56 per cent.

2. *Westcoast Energy Inc. (WEI) – Interim Tolls for 2005* (File 4400-W005-12)

On 29 November 2004, the Board approved an application dated 22 November 2004 from WEI for interim tolls effective 1 January 2005 for transmission service in Zones 3 and 4.

3. *TransCanada PipeLines Limited (TCPL) – Toll Task Force Resolution 03-2004*
(File 4775-T001-1/04-3)

On 23 November 2004, the Board approved an application dated 15 November 2004 from TCPL for approval of the Toll Task Force Resolution 03-2004 for amendments to the Mainline Tariff – General Terms and Conditions, Transportation Access Procedures, Firm Transportation Service – Toll Schedule and Non Renewable Firm Transportation Service Toll Schedule.

Matters Under Review

4. *TransCanada Pipelines Limited, B.C. System (TCPL) – Final Tolls for 2004 (File 3400-T054-2004-1)*

On 27 October 2004, TCPL requested that the Board order that the 2004 interim rates authorized by Order TGI-10-2003 for the B.C. System are final tolls. On 2 November 2004, the Board decided to seek the views of interested parties on the application.

On 22 November 2004, the Board informed TCPL that it had decided to postpone its decision on the application pending the disposition of the Canadian Association of Petroleum Producers' application for review of the Board's RH-2-2004 Phase I Decision (see item 1 under *Appeal and Review*, *Review Pending* below).

5. *TransCanada Pipelines Limited (TCPL) – Interim Tolls for 2005 (File 4400-T001-25)*

On 22 November 2004, TCPL applied for approval of interim tolls effective 1 January 2005. TCPL is currently operating under 2004 interim tolls approved by the Board on 23 July 2004, effective

for the period 1 August to 31 December 2004. The purpose of the application is to establish new tolls effective 1 January 2005 on an interim basis pending the disposition of TCPL's 2005 Tolls and Tariff Application.

6. *Trans Québec & Maritimes Pipeline Inc. (TQM) – 2004 Tolls (File 4200-T028-15)*

On 26 November 2004, TQM applied for approval of tolls on its pipeline system for the period 1 January to 31 December 2004. TQM is seeking a net revenue requirement of \$84.2 million.

7. *Westcoast Energy Inc. (WEI) – Southern Mainline Expansion Project (File 4775-W005-1-16)*

On 16 September 2004, WEI applied for authorization to recover certain costs associated with the Southern Mainline Expansion Project approved by the Board in GH-1-2002 Reasons for Decision dated 28 January. On 4 October 2004, the Board decided to seek comments from interested parties on the application. On 1 November 2004, the Board extended the date for filing comments.

Appeal and Review

Appeal Pending

1. *Sumas Energy 2, Inc. (SE2) – Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia.

On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

Review Pending

1. *Canadian Association of Petroleum Producers (CAPP) – Review of Reasons for Decision RH-2-2004, Phase I – TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)*

On 12 November 2004, CAPP applied for a review of the Board's Reasons for Decision RH-2-2004,

Phase I with respect to TCPL's 2004 Mainline Tolls. CAPP stated that the Board committed errors that raise doubt as to the correctness of its decision. The errors relate to the determinations made by the Board concerning:

- approving tolls for Non-Renewable Firm Transportation Service to be determined on a biddable basis;
- allowing TCPL to include all forecast long-term incentive compensation costs in its 2004 cost of service;
- allowing TCPL to recover through tolls certain regulatory and legal costs relating to review and appeal proceedings.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Cost Recovery Regulations – Electricity – Review (File 175-A000-72-2)*

The Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders.

As part of the review, the Board will hold an all-day workshop on 9 December 2004 in Calgary, Alberta.

2. *National Energy Board Pipeline Crossing Regulations, Part I and Part II - Damage Prevention Regulations*

On 14 November 2003, the Board sought comments from the public on the *Draft Guidance Notes for the National Energy Board Damage Prevention Regulations*. The document contained the draft legal text of the Board's proposed *Damage Prevention Regulations* and the proposed guidance. The deadline for written comments was 31 March 2004.

The Board intends to replace the existing Pipeline Crossing Regulations, Part II with regulations targeted at damage prevention (to be known as the *Damage Prevention Regulations*).

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

3. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. *The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations*

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

5. *The Canada Oil and Gas Geophysical Operations Regulation (Regulations)*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Regulatory Initiative Pursuant to the *Canada Labour Code*

6. *Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II*

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Instructions for Filing

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Westcoast Energy Inc.	File: 3400-W005-336 Order: XG-W005-42-2004	Application dated 17 September 2004; approved on 18 November 2004. Replace pipeline in the La Biche River in the Yukon.	5 700 000

Appendix II

Applications Filed

(Applications not usually covered in the *Regulatory Agenda*)

Applicant	Date	Application
Alliance Pipelines Ltd.	29 October	File 3400-A159-18 - Construct a new receipt point called Simonette for natural gas processed at the Simonette Gas Plant approximately 100 kilometres southeast of Grande Prairie, Alberta. The project will involve the construction of a meter station and a 2.2 kilometre lateral.
Trans-Northern Pipelines Inc.	2 November	File 3200-T002-1-1 - Leave to open the piping that connects the Booster Station located at Mallorytown, Ontario to the mainline.
Trans-Northern Pipelines Inc.	2 November	File 3200-T002-1-1 - Leave to open the piping that connects the Booster Station located at Iroquois, Ontario to the mainline. Approved on 5 November 2005.
Terasen Pipelines (Trans Mountain)	3 November	File 4200-T099-4 - Permanent Tolls to be effective 1 October 2004.
Westcoast Energy Inc.	3 November	File 3400-W005-338 - Application No. 18 for project 10051368 to construct riprap revetments to prevent future undermining of the gabions and lateral erosion on the bank of the Blueberry River at km 60.7 of the 406.4 mm Silver-Dahl Pipeline.
Trans-Northern Pipelines Inc.	4 November	File 3200-T002-1-1 - Leave to open the piping that connects the Pump Station located at Montréal, Quebec to the mainline. Approved on 12 November 2004.
Trans-Northern Pipelines Inc.	10 November	File 3200-T002-1-1 - Leave to open the piping that connects the Pump Station located at Como, Quebec to the mainline. Approved on 17 November 2004.
Enbridge Pipelines Inc.	17 November	File 4400-E101-5-1 - Amend Interim Toll Order TOI-1-2004 to extend the date to 31 March 2005 that Interim Tariff NEB No. 267 and Interim Tariff NEB No. 268 are in effect.
Westcoast Energy Inc.	22 November	File 3400-W005-336 - Increase the Maximum Operating Pressure on the piping at the Kingsvale Meter Station (MS-31).

Profile

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In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this Regulatory Agenda is the month of December 2004

Public Hearing Applications

Hearing Decision Issued

1. *TransCanada PipeLines Limited (TCPL) - North Bay Junction - RH-3-2004 (File 4775-T001-12)*

Reasons for Decision issued on 16 December 2004.

The Board approved an application from TCPL to establish a new receipt and delivery point on its Mainline at North Bay Junction, Ontario effective 28 February 2005.

The Board considered TCPL's application at a public hearing held from 16 August to 10 September 2004 in Montréal, Quebec and Calgary, Alberta for a total of 16 hearing days.

Hearing in Progress

1. *TransCanada PipeLines Limited (TCPL) - 2004 Tolls - Phase II - RH-2-2004 (File 4200-T001-19)*

The Board is holding Phase II of a public hearing which commenced on 29 November 2004 in Calgary, Alberta on an application from TCPL for approval of new tolls it may charge on its mainline system for the period 1 January to 31 December

2004. Phase II of the hearing deals with cost of capital matters. The hearing will resume on 17 January 2005.

Hearing Application Filed

1. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties - Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited, Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited, ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety,
Environmental Protection and
Economic Efficiency"**

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Canada

The Board's hearing process will be coordinated with the Environmental Impact Review of the Mackenzie Gas Project by the Joint Review Panel contemplated by the *Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project through the Northwest Territories*, dated June 2002.

The Board will announce at a later time the dates and locations of its public hearing.

The Mackenzie Gas Project includes a 1 220 kilometre (758 mile) pipeline to transport natural gas to a point of interconnection with the NOVA Gas Transmission Ltd. system in northern Alberta,

a 480 kilometre (298 mile) pipeline to transport natural gas liquids to a point of interconnection with the Enbridge Pipelines (NW) Inc. Norman Wells Pipeline at Norman Wells, N.W.T., three onshore natural gas fields known as Taglu, Parsons Lake and Niglintgak, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations at Little Chicago, Norman Wells, Blackwater River and Trail River, N.W.T. and a heater station at Trout River, N.W.T.

Non Hearing Applications

Electricity Matters

Matter Completed

1. *Draft Model Conditions for a Certificate of Public Convenience and Necessity (Certificate) (Files 3400-T054-3 and 3740-T054-2002)*

On 23 December 2004, the Board issued Model Conditions potentially applicable to any international power line (IPL) for which a certificate is sought in the future. These Model Conditions have been developed from the ones sent out for comment from the Board on 30 June 2004.

The Board has established a set of Model Conditions so as to have a common and publicized starting point from which it could condition IPLs. However, the Board would continue to evaluate each application on an individual basis. Therefore,

- these Model Conditions could be varied as appropriate;
- not all Model Conditions would necessarily apply to all IPL applications; and,
- the Model Conditions do not necessarily represent all the conditions that could be placed on an approval.

Matter Pending

2. *ALLETE, Inc. d/b/a Minnesota Power (MP) - Electricity Export (File 6200-A172-1)*

On 10 June 2004, MP applied for permits to export up to 200 megawatts of firm power and up to 600 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

Frontier Matters

Matters Completed

1. *Paramount Resources Ltd. - Alter the Condition of a Well*

Paramount was given approval on 9 December 2004 to alter the condition of the well Fort Liard F-36.

2. *Imperial Oil Resources - Norman Wells*

Imperial's completion operations for the Norman Wells area were approved 20 December 2004.

3. *EnCana Corporation - Drilling*

EnCana was given approval on 22 December 2004 to drill the well Umiak N-05.

Pipeline Matters

Matters Completed

1. *Safety Advisory NEB SA 2004-02*
(File 9700-A000-1-30)

On 24 December 2004, the Board issued a safety advisory regarding the hazards associated with the use of threaded connections in applications where they may be subject to external forces and moments.

2. *Section 58 Applications*

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. *Enbridge Pipelines Inc. (Enbridge) - Tariffs Nos. 267 and 268* (File 4400-E101-5-1)

On 1 December 2004, the Board approved an application dated 17 November 2004 from Enbridge for approval of the extension of interim Tariffs Nos. 267 and 268 for transportation service on Line 9 to 31 March 2005.

2. *Foothills Pipe Lines Ltd. (Foothills) - Statement of Rates and Charges effective 1 January 2005 and Amendments to the Foothills Gas Transportation Tariff - Phase 1 and Subsidiary Companies' Tariffs of Foothills Pipe Lines (Alta) Ltd., Foothills Pipe Lines (Sask) Ltd. and Foothills Pipe Lines (South B.C.) Ltd.* (Files 4200-F06-8 and 4775-F006-1-1)

On 23 December 2004, the Board approved an application dated 1 December 2004 from Foothills regarding rates and charges for transportation services in Foothills' Zones 6, 7, 8 and 9 and amendments to the Gas Transportation Tariff – Phase 1 and subsidiary companies' tariffs of Foothills (Alta), Foothills (Sask) and Foothills (South B.C.) effective 1 January 2005.

3. *Foothills Pipe Lines Ltd. (Foothills) - Short-term Firm Transportation Service* (File 4775-F006-1-2)

On 23 December 2004, the Board approved an application dated 3 December 2004 from Foothills for approval of a short-term firm transportation service on Zone 9 and associated amendments to

the Gas Transportation Tariff – Phase 1 effective 1 January 2005.

4. *Terasen Pipelines (Trans Mountain) Inc. (Terasen) – Final Tolls* (File 4200-T099-4)

On 1 December 2004, the Board approved an application dated 3 November 2004 from Terasen for approval of final tolls, effective 1 October 2004, as provided in Petroleum Tariff No. 55 and Refined Petroleum Tariff No. RP23.

5. *Trans Québec & Maritimes Pipeline Inc. (TQM) – 2004 Final Tolls* (File 4200-T028-15)

On 23 December 2004, the Board approved an application dated 26 November 2004 from TQM for approval of final tolls on its pipeline system for the period 1 January to 31 December 2004.

6. *Trans Québec & Maritimes Pipeline Inc. (TQM) – 2004 Tolls* (File 4200-T028-15)

On 23 December 2004, the Board approved an application dated 8 December 2004 from TQM for approval of interim tolls effective 1 January 2005.

7. *TransCanada Pipelines Limited, B.C. System (TCPL) - Interim Tolls for 2005*
(Files 3400-T054-1 and 4775-T054-1-1)

On 23 December 2004, the Board approved in part an application dated 1 December 2004 from TCPL for interim rates and charges for transportation on the B.C. system effective 1 January 2005 and amendments to the B.C. System Gas Transportation Service Documents. (Refer to item 11 below)

8. *TransCanada PipeLines Limited (TCPL) - Interim Tolls for 2005* (File 4400-T001-25)

On 22 December 2004, the Board approved an application dated 22 November 2004 from TCPL for approval of interim tolls effective 1 January 2005 on its Mainline system.

9. *Trans-Northern Pipelines Inc. (TNPI) – Interim Tolls for 2005* (File 4400-T002-11)

On 30 December 2004, the Board approved an application dated 21 December 2004 from TNPI for approval of interim tolls for the period 1 January to 28 February 2005.

10. *Westcoast Energy Inc. (WEI) - Southern Mainline Expansion Project* (File 4775-W005-1-16)

On 16 December 2004, the Board approved an application dated 16 September 2004 from WEI for authorization to recover certain costs associated

with the Southern Mainline Expansion Project approved by the Board in GH-1-2002 Reasons for Decision.

Matter Under Review

11. *TransCanada Pipelines Limited, B.C. System (TCPL) - Final Tolls for 2004 (File 3400-T054-2004-1)*

On 27 October 2004, TCPL requested that the Board order that the 2004 interim rates authorized by Order TGI-10-2003 for the B.C. System are final tolls.

On 22 November 2004, the Board informed TCPL that it had decided to postpone its decision on the application pending the disposition of the Canadian Association of Petroleum Producers' application for review of the Board's RH-2-2004 Phase I Decision (see item 1 under *Appeal and Review, Review Pending* below).

Appeal and Review

Appeal Pending

1. *Sumas Energy 2, Inc. (SE2) - Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia.

On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

Review Pending

1. *Canadian Association of Petroleum Producers (CAPP) - Review of Reasons for Decision RH-2-2004, Phase I - TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)*

On 12 November 2004, CAPP applied for a review of the Board's Reasons for Decision RH-2-2004, Phase I with respect to TCPL's 2004 Mainline Tolls.

CAPP stated that the Board committed errors that raise doubt as to the correctness of its decision. The errors relate to the determinations made by the Board concerning:

- approving tolls for Non-Renewable Firm Transportation Service to be determined on a biddable basis;
- allowing TCPL to include all forecast long-term incentive compensation costs in its 2004 cost of service;
- allowing TCPL to recover through tolls certain regulatory and legal costs relating to review and appeal proceedings.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Cost Recovery Regulations - Electricity - Review* (File 175-A000-72-2)

The Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders.

As part of the review, the Board held an all-day workshop on 9 December 2004 in Calgary, Alberta.

2. *National Energy Board Pipeline Crossing Regulations, Part I and Part II - Damage Prevention Regulations*

On 14 November 2003, the Board sought comments from the public on the *Draft Guidance Notes for the National Energy Board Damage Prevention Regulations*. The document contained the draft legal text of the Board's proposed *Damage Prevention Regulations* and the proposed guidance. The deadline for written comments was 31 March 2004.

The Board intends to replace the existing *Pipeline Crossing Regulations, Part II* with regulations targeted at damage prevention (to be known as the *Damage Prevention Regulations*).

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

3. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. *The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations*

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

5. *The Canada Oil and Gas Geophysical Operations Regulations*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Regulatory Initiative Pursuant to the *Canada Labour Code*

6. *Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II*

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Appointment

On 6 December 2004, the Minister of Natural Resources Canada appointed Gaétan Caron as Vice-Chairman of the Board.

Mr. Caron has served as a Board member since June 2003. Before this, he was the Board's Chief Operating Officer for more than 10 years. He first joined the Board in 1979 as a pipeline engineer and has held several other key positions at the Board throughout his career and has managed several elements of its regulatory program - namely

safety, environmental and economic regulations.

Mr. Caron received a Bachelor of Science in rural engineering from Université Laval in 1979 and a Master of Business Administration from the University of Ottawa in 1987. He is also a Member of the Quebec Order of Engineers. Mr. Caron serves on the boards of several community and charitable associations, including the United Way of Calgary and Area.

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Alliance Pipelines Ltd.	File: 3400-A159-18 Order: XG-A59-45-2004	Application dated 29 October 2004; approved on 23 December 2004. Construct the Simonette Lateral in Alberta.	4 436 000
Westcoast Energy Inc.	File: 3400-W005-338 Order: XG-W005-43-2004	Application dated 3 November 2004; approved on 2 December 2004. Revetment on the bank of the Blueberry River at km 60.7 Silver-Dahl Pipeline.	120 000
Westcoast Energy Inc.	File: 3400-W005-337 Order: XG-W005-44-2204	Application dated 1 November 2004; approved on 22 December 2004. Revetment at Salmon River, approximately 25 kilometres north of Prince George, British Columbia.	350 000

Appendix II

(Matters not usually covered in the Regulatory Agenda)

<i>Company</i>	<i>Date</i>	<i>Filing</i>
Enbridge Pipelines (NW) Inc.	1 December	File 4400-E102-5: Filing of the 2005 Estimate of Full Cost of Service and Tariff No. 33.
Maritimes & Northeast Pipeline	6 December	File 4775-M124-1-4: Amend the turnback provision in the M&NP Gas Tariff to change the minimum notification period for turnback from 10 business days to 20 business days. Approved on 8 December 2004.
Echoex Energy Inc.	6 December	File 3400-E135-1: Construct a 3.29 kilometre natural gas pipeline from 06-34-43-28-W3M in Saskatchewan to 06-01-44-01 W4M in Alberta.
Plains Marketing Canada, L.P.	8 December	File 4775-P102-1-1: Filing of the Wascana Pipeline Petroleum Toll Schedule; tariff #5-2 for the Wapella pipeline; the Bodo Pipeline Petroleum Toll Schedule; and tariff 6.0 for the Milk River pipeline.
Enbridge Pipelines Inc.	10 December	Files 4200-E101-1 and 4775-E101-1-1: Advised the Board of the status of negotiations for the establishment of a further toll settlement for 2005 and beyond and confirm the interim tolls in place effective 1 January 2005.
Trans-Northern Pipelines Inc.	10 December	File 3400-T002-67: Pipeline replacements in the Municipalities of Toronto and Pickering, Ontario.
Trans Québec & Maritimes Inc.	10 December	File 3402-T028-2-2003: Annual report on expenditures pursuant to XG/XO-100-2002 for the Year 2003.
Terasen Pipelines (Trans Mountain) Inc.	13 December	File 3400-T099-12: Construct rock armouring and a rock apron for the Athabasca River east bank in British Columbia.
806026 Alberta Ltd.	15 December	File 3400-Z007-4: Construct the 16.5 km Pesh Creek Pipeline Loop, from DEFSCL Peggo Gas Plant in British Columbia to NOVA Gas Transmision Ltd.'s Shekilie River North Meter Station in Alberta.
Vector Pipeline Limited Partnership	16 December	File 4400-V016-2: Negotiated interim toll calculation effective 1 January 2005.
Trans-Northern Pipelines Inc.	16 December	File 3400-T002-68: Deactivate the Mirabel Lateral and the Mirabel Metering Station in the cities of Mirabel and Laval, Quebec.
Westcoast Energy Inc.	21 December	File 3400-W005-341: Construct and operate the Sikanni re-injection pipeline.
Many Islands Pipe Lines (Canada) Limited	22 December	File 4200-M029-2: Transportation Tariff effective 1 January 2005.
EnCana Corporation	23 December	Files 7200-E112-1-1 and 7200-E112-1-2: Amendments to Gas Export Sale Contract for export Licences GL-284 and GL-285.

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Regulatory Agenda

The period covered in this Regulatory Agenda is the month of January 2005

Public Hearing Applications

Hearing in Progress

1. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls - Phase II – RH-2-2004 (File 4200-T001-19)*

On 29 November 2004, the Board commenced Phase II of a public hearing in Calgary, Alberta on an application from TCPL for approval of new tolls it may charge on its mainline system for the period 1 January to 31 December 2004. Phase II of the hearing deals with cost of capital matters.

Hearing Scheduled

1. *Enbridge Pipelines Inc. (Enbridge) – Spearhead Pipeline – RH-1-2005 (File 4200-E101-6)*

The Board will hold a public hearing commencing on 29 March 2005 in Calgary, Alberta on an application from Enbridge for the implementation of a Non-Routine Adjustment to enable Enbridge to recover in its Canadian pipeline tolls US\$10 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma.

In 2003, Enbridge acquired a 90 percent interest

in the 1050 kilometre (651 mile) Cushing to Chicago oil pipeline system. The pipeline historically provided south to north service. Enbridge intends to reverse the flow of the largely idle pipeline to ship oil from Chicago to Cushing. The reversed pipeline would provide Enbridge shippers with access to new markets south of Chicago. In its application, Enbridge stated that it anticipates that 100 percent of the oil shipped on the Spearhead Pipeline will be Western Canadian produced crude petroleum although the possibility does exist that some US domestic or foreign oil could also be shipped on the pipeline.

Hearing Application Filed

1. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties – Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil

In This Issue

Preface

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Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited, Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited, ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited.

The Board's hearing process will be coordinated with the Environmental Impact Review of the Mackenzie Gas Project by the Joint Review Panel contemplated by the *Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project through the Northwest Territories*, dated June 2002.

The Board will announce at a later time the dates and locations of its public hearing.

The Mackenzie Gas Project includes a 1 220 kilometre (758 mile) pipeline to transport natural gas to a point of interconnection with the NOVA Gas Transmission Ltd. system in northern Alberta, a 480 kilometre (298 mile) pipeline to transport natural gas liquids to a point of interconnection with the Enbridge Pipelines (NW) Inc. Norman Wells Pipeline at Norman Wells, N.W.T., three onshore natural gas fields known as Taglu, Parsons Lake and Niglintgak, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations at Little Chicago, Norman Wells, Blackwater River and Trail River, N.W.T. and a heater station at Trout River, N.W.T.

Non Hearing Applications

Frontier Matters

1. *Paramount Resources Ltd. – Alter the Condition of a Well*

On 6 January 2005, Paramount was given approval, pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulation* (COGPCR), to alter the condition of the well Southeast Fort Liard N-01.

2. *Northrock Resources Ltd. – Drill a Well*

On 7 January 2005, Northrock was given approval, pursuant to section 83.(1) of the *Canada Oil and Gas Drilling Regulations* (COGDR), to drill the well Sah Cho L-71.

3. *Apache Canada Ltd. – Drill a Well*

On 11 January 2005, Apache was given approval, pursuant to section 83.(1) of the COGDR, to drill the well Lac Maunoir A-67.

4. *Northrock Resources Ltd. – Alter the Condition of a Well*

On 17 January 2005, Northrock was given approval, pursuant to subsection 19(3) of the COGPCR, to alter the condition of the well Summit Creek B-44.

5. *Paramount Resources Ltd. – Construct a Tie-in*

On 24 January 2005, Paramount was given approval, pursuant to section VII of the COGPCR, to construct a four well tie-in at the Cameron Hills Field.

6. *Apache Canada Ltd. – Drill a Well*

On 26 January 2005, Apache was given approval, pursuant to section 83.(1) of the COGDR, to drill the wells Lac Maunoir E-35, East Lac Maunoir L-80, Turton Lake G-47 and Turton Lake L-23.

7. *Paramount Resources Ltd. – Alter the Condition of a Well*

On 28 January 2005, Paramount was given approval, pursuant to subsection 19(3) of the COGPCR, to alter the condition of the well Liard 2M-25.

8. *EnCana Corporation – Alter the Condition of a Well*

On 28 January 2005, EnCana was given approval, pursuant to subsection 19(3) of the COGPCR, to alter the condition of the well Umiak N-16.

9. Geological, Geophysical or Geotechnical Operation

One application for geological, geophysical or geotechnical operation was approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act*.

Company	Area	Operation ID	Date
Explor Data Limited	Mackenzie Delta	9329-E43-5E	28 January 2005

Pipeline Matter

Matter Completed

1. Section 58 Applications

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Traffic, Tolls and Tariffs Matters

Matters Pending

1. Chevron Canada Limited (Chevron) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) – Priority Destination on the Terasen Pipelines (Trans Mountain) Inc. (Terasen) (Files 4775-T099-1-3 and -4)

On 7 January 2005, Chevron and Chevron/Neste applied for orders designating Chevron's refinery at Burnaby, British Columbia as a priority destination for unapportioned delivery of crude oil and isooctane, respectively, on Terasen's pipeline

system during such period of time as deliveries of crude oil and isooctane to the Burnaby refinery would otherwise be apportioned.

On 27 January 2005, the Board decided to convene a meeting, led by Board staff, to discuss:

- which issues need to be addressed to dispose of the application and why, and
- the appropriate process and timing to deal with these issues.

Among other things, the Board is interested in determining whether parties believe that the issues are best addressed through a public hearing, or whether some of the issues may be addressed effectively through an alternative process with involvement of Board staff. The meeting will be held in Calgary during the week of 14 February or 28 February 2005.

2. TransCanada Pipelines Limited, B.C. System (TCPL) – Final Tolls for 2004 (File 3400-T054-2004-1)

On 27 October 2004, TCPL requested that the Board order that the 2004 interim rates authorized by Order TGI-10-2003 for the B.C. System are final tolls.

On 22 November 2004, the Board informed TCPL that it had decided to postpone its decision on the application pending the disposition of the Canadian Association of Petroleum Producers' application for review of the Board's RH-2-2004 Phase I Decision (see item 2 under *Appeal and Reviews, Reviews Pending* below).

Appeal and Reviews

Appeal Pending

1. *Sumas Energy 2, Inc. (SE2) – Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia.

On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

Reviews Pending

2. *Canadian Association of Petroleum Producers (CAPP) – Review of Reasons for Decision RH-2-2004, Phase I – TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)*

On 12 November 2004, CAPP applied for a review of the Board's Reasons for Decision RH-2-2004, Phase I with respect to TCPL's 2004 Mainline Tolls. CAPP stated that the Board committed errors that raise doubt as to the correctness of its decisions. The errors relate to the determinations made by the Board concerning:

- (a) approving tolls for Non-Renewable Firm Transportation Service to be determined on a biddable basis;
- (b) allowing TCPL to include all forecast long-term incentive compensation costs in its 2004 cost of service; and,
- (c) allowing TCPL to recover through tolls certain regulatory and legal costs relating to review and appeal proceedings.

3. *Coral Energy Canada Inc. and Cogenerators Alliance (Applicants) – Review of Reasons for Decision RH-2-2004, Phase I – TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)*

On 11 January 2005, the Applicants applied for review and variance of the Board's Reasons for Decision RH-2-2004, Phase I with respect to TCPL's 2004 Mainline Tolls. The Applicants asked for a review and variance of the Reasons for Decision on the following issues:

- (a) the arrangements entered into by TCPL pursuant to the Waste Heat Agreements and the Compressor Operating Agreement; and,
- (b) TCPL's applied-for Operation, Maintenance and Administration costs for the 2004 test year.

The Applicants stated that the Board committed errors of law that make certain determinations in the Phase I Decision incorrect. Specifically the Board erred by:

- (a) adopting a decision-making procedure that inappropriately shifted the burden of proof onto intervenors, thereby compromising the Board's consideration of the evidence; and,
- (b) breaching the legal duty of fairness by failing to provide adequate reasons for its decisions.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Cost Recovery Regulations – Electricity – Review* (File 175-A000-72-2)

The Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders.

As part of the review, the Board held an all-day workshop on 9 December 2004 in Calgary, Alberta. The Board will hold further meetings with the industry in the Spring of 2005.

2. *National Energy Board Pipeline Crossing Regulations, Part I and Part II – Damage Prevention Regulations*

On 14 November 2003, the Board sought comments from the public on the *Draft Guidance Notes for the National Energy Board Damage Prevention Regulations*. The document contained the draft legal text of the Board's proposed *Damage Prevention Regulations* and the proposed guidance.

The Board intends to replace the existing *Pipeline Crossing Regulations, Part II* with regulations targeted at damage prevention (to be known as the *Damage Prevention Regulations*).

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

3. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. *The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations*

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

5. *The Canada Oil and Gas Geophysical Operations Regulation*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Regulatory Initiative Pursuant to the *Canada Labour Code*

6. *Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II*

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8.

Applications - Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Submit a Document*.

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For a current list of the telephone numbers of Board Members and key staff, see our Internet site under the heading *About Us, Our People*.

National Energy Board
Michel L. Mantha
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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Alliance Pipeline Ltd.	File: 3400-A159-19 Order: XG-A159-01-2005	Application dated 24 November 2004; approved on 17 January 2005. Install an additional aerial cooler at the Windfall Compressor Station near Whitecourt, Alberta.	5 714 000
Westcoast Energy Inc.	File: 3400-W005-340 Order: XC-W005-01-2005	Application dated 1 December 2004; approved on 25 January 2005. Replacement of valves on the Sulphur pipeline at the Pine River Gas Plant.	50 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Trans-Northern Pipelines Inc.	File: 3400-T002-67 Order: XO-T002-01-2005	Application dated 10 December 2004; approved on 28 January 2005. Replace pipelines in the Municipalities of Toronto and Pickering, Ontario.	850 000

Appendix II

Other Filings

<i>Company</i>	<i>Date</i>	<i>Filing</i>
Enbridge Pipelines (NW) Inc.	4 January	File 3400-E102-11 – Application for the construction of several projects for the Year 2005.
TransCanada Pipelines Limited	7 January	File 3400-T001-236 – Contaminant Sampling and Remediation Program at Station 25.
ProGas Limited	10 January	Files 7200-P038-12-1 and 7200-P038-12-2 – Amendments to the Gas Export Sales Contract underpinning exports under Gas Export Licence GL-270.
Westcoast Energy Inc.	10 January	File 3400-W005-342 – Upgrade Compressor Station 2B on the Southern Mainline.
Maritimes & Northeast Pipeline	12 January	File 4750-M124-2004-3 – Filing of quarterly surveillance report for the third quarter of 2004.
Enbridge Pipelines Inc.	13 January	File 3000-E101-3 – Advised the Board that the Company intends to begin operating Line 11, which provides crude oil transmission service from Westover, Ontario to Imperial Oil Limited's refinery at Nanticoke, Ontario, at the maximum operating pressure.
Westcoast Energy Inc.	17 January	File 3400-W005-343 – Application to reactivate 21.5 km of the 39.8 km Ekwan Pipeline located approximately 80 km east of Fort Nelson, B.C.
Westcoast Energy Inc.	19 January	File 4775-W005-1-1 – Filing of revised amendments of Toll Schedules effective 1 November 2004 and 1 January 2005.
Westcoast Energy Inc.	19 January	File 3400-W005-344 – Application to upgrade four flare sites in the Fort Nelson, B.C. area.
Westcoast Energy Inc.	20 January	File 3400-W005-345 – Application to replace the lining and increase the containment capacity of the drain pond at the Fort Nelson Gas Plant in B.C.
TransCanada Pipelines Limited	20 January	File 3400-T001-237 – 2005 Cathodic Protection Program No. 1 – Ontario.
Westcoast Energy Inc.	24 January	File 4775-W005-1-1 – Standards of Conduct for Westcoast's BC Pipeline Division.
ProGas Limited	27 January	Files 7200-P038-8-1 and 7200-P038-8-2 – Amendments to a Gas Sales Contract and to Gas Export Licence GL-161.
Westcoast Energy Inc.	28 January	File 4775-W005-1-1 – Framework for Light-handed Regulation: Revised Amendments of Toll Schedules effective 1 November 2004.
Express Pipeline Ltd.	31 January	File 4775-E092-1-1 – Express Pipeline Ltd. Proposed International ExpressChoice Uncommitted Petroleum Toll Schedule – NEB Tariff No. 51 effective 1 February 2005.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of February 2005

Public Hearing Applications

Hearing Decision Pending

1. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls – Phase II – RH-2-2004 (File 4200-T001-19)*

The Board held a public hearing from 29 November 2004 to 4 February 2005 (22 days) in Calgary, Alberta on Phase II of an application from TCPL for approval of new tolls it may charge on its mainline system for the period 1 January to 31 December 2004. Phase II of the hearing dealt with cost of capital matters.

Hearing Scheduled

1. *Enbridge Pipelines Inc. (Enbridge) – Spearhead Pipeline and 20" Reversal Pipeline Project – RH-1-2005 (File 4200-E101-6)*

The Board will hold a public hearing commencing on 7 April 2005 in Calgary, Alberta on two applications from Enbridge for the implementation of Non-Routine Adjustments. The first application is to enable Enbridge to recover, in its Canadian pipeline tolls, US\$10 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma. The second

application is to enable Enbridge to recover, in its Canadian pipeline tolls, US\$10 million per year for five years to support a Mobil Pipe Line Company (Mobil) of the United States initiative to reverse the flow of its 508 millimetre (20 inch) pipeline. The project is known as the "20" Reversal Pipeline Project".

Regarding the Spearhead application, in 2003, Enbridge acquired a 90 percent interest in the 1 050 kilometre (651 mile) Cushing to Chicago oil pipeline system. The pipeline historically provided south to north service. Enbridge intends to reverse the flow of the largely idle pipeline to ship oil from Chicago to Cushing. The reversed pipeline would provide Enbridge shippers with access to new markets south of Chicago.

Regarding the 20" Reversal Pipeline Project, currently, Enbridge Energy Limited Partnership (Enbridge Energy) delivers crude oil to Mustang Pipe Line Partners (Mustang) at Lockport, Illinois for deliveries to connecting carriers at Patoka, Illinois. Mobil's pipeline from Patoka to Corsicana, Texas, which is currently idle, has traditionally moved oil northbound into Patoka from either West Texas or from the Gulf Coast.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety,
Environmental Protection and
Economic Efficiency"**

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In response to requests by Canadian producers for increased access to alternative markets, in November 2004, Mobil, along with Enbridge Energy and Mustang, announced an open season for deliveries from Canada into the U.S. Gulf Coast marketplace. Since shipper support of more than 8 000 cubic metres (50,000 barrels) per day of committed volumes from Patoka to the Gulf Coast was secured through the open season, Mobil has stated its intention to make the changes necessary to provide service from Patoka to Corsicana, Beaumont or Nederland, Texas.

Hearing Application Filed

1. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties – Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited, Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited,

ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited.

The Board's hearing process will be coordinated with the Environmental Impact Review of the Mackenzie Gas Project by the Joint Review Panel contemplated by the *Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project through the Northwest Territories*, dated June 2002.

The Board will announce at a later time the dates and locations of its public hearing.

The Mackenzie Gas Project includes a 1 220 kilometre (758 mile) pipeline to transport natural gas to a point of interconnection with the NOVA Gas Transmission Ltd. system in northern Alberta, a 480 kilometre (298 mile) pipeline to transport natural gas liquids to a point of interconnection with the Enbridge Pipelines (NW) Inc. Norman Wells Pipeline at Norman Wells, N.W.T., three onshore natural gas fields known as Taglu, Parsons Lake and Niglintgak, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations at Little Chicago, Norman Wells, Blackwater River and Trail River, N.W.T. and a heater station at Trout River, N.W.T.

Non Hearing Applications

Electricity Matter

Matter under Consideration

1. *Constellation New Energy, Inc. (Constellation) – Electricity Export (File 6200-C382-1)*

On 11 February 2005, Constellation applied for approval to export up to 7 000 000 megawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

Frontier Matters

1. *Anadarko Canada Energy Co. (Anadarko) – Application Dated 9 April 2003 for Significant Discovery Declarations*

On 24 February 2005, the Board issued two declarations of "Significant Discovery" to Anadarko pursuant to Part II.1, subsection

28.2(4) of the *National Energy Board Act* and to Part III, subsection 28(1) of the *Canada Petroleum Resources Act* with respect to those frontier lands in the Arrowhead and Chinkeh areas of the NWT comprising grid areas:

Latitude	Longitude	Sections
60° 40' N	122° 45' W	64, 73, 74
60° 40' N	123° 00' W	3, 4, 14
60° 30' N	123° 00' W	24-27, 33-38, 43-48, 54, 55

2. *Paramount Resources Ltd. (Paramount) – Alter the Condition of Four Wells*

On 2 February 2005, Paramount was given approval, pursuant to subsection 19(3) of the

Canada Oil and Gas Production and Conservation Regulations (COGPCR), to alter the condition of the wells Cameron-L-47, Cameron I-16, Cameron D-49 and Nogha B-23.

3. Chevron Canada Resources Limited (Chevron) – Alter the Condition of a Well

On 7 February 2005, Chevron was given approval, pursuant to subsection 19(3) of the COGPCR, to alter the condition of the well Ellice I-48.

4. Paramount Resources Ltd. – Alter the Condition of a Well

On 14 February 2005, Paramount was given approval, pursuant to subsection 19(3) of the COGPCR, to alter the condition of the well West Nogha K-14.

5. Paramount Resources Ltd. – Alter the Condition of Two Wells

On 14 February 2005, Paramount was given approval, pursuant to subsection 19(3) of the COGPCR, to alter the condition of the wells Cameron M-49 and Cameron H-58.

6. Geological, Geophysical or Geotechnical Operations

Two applications for geological, geophysical or geotechnical operation were approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act*.

Company	Area	Operation ID	Date
Devon ARL Corporation	Beaufort Sea	9427-D30-1DA	7 February 2005
Encana Corporation	Mackenzie Delta	9329-E43-5E	11 February 2005

Gas Matter

Matter Pending

1. EnCana Corporation (EnCana) – Natural Gas Export, Gas Sale Agreement (Files 7200-E112-1-1 and 7200-E112-1-2)

On 23 December 2004, EnCana applied for approval of a gas sale agreement entitled the *Cross-Border Commodity Purchase & Sale Agreement* that would replace the original gas sale agreement dated

1 January 1994 underpinning natural gas export Licences GL-284 and GL-285. Under Licences GL-284 and GL-285, the amount of gas authorized for export is 1 562 400 000 cubic metres (55.2 billion cubic feet) and 999 200 000 cubic metres (35.2 billion cubic feet), respectively, in any consecutive 12-month period ending 31 October.

On 3 February 2005, the Board sent a letter to EnCana requesting additional information.

Pipeline Matters

Matter Completed

1. Section 58 Applications

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matter Pending

2. TransCanada Pipelines Limited (TCPL) – Les Cèdres Loop (File 3400-T001-238)

On 28 February 2005, TCPL applied for approval to construct 21.3 km of 914 millimetre (36 inch) pipeline loop from mainline valve 147A in the Municipality of Saint-Télesphore, Quebec to MLV 148 in the Municipality of Les Cèdres, Quebec (Les Cèdres Loop). The proposed Les Cèdres Loop, together with the capacity provided by the existing Mainline facilities, will be needed to enable TCPL to transport the gas required for a new gas-fired cogeneration plant being constructed at Bécancour, Québec. The estimated cost of the project is \$44.1 million and the proposed in service date is 1 November 2006.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. TransCanada Pipelines Limited (TCPL) – Resolution of the 2005 Toll Task Force (File 4775-T001-1/05-2)

On 16 February 2005, the Board approved an application dated 10 February 2005 from TCPL for approval of a resolution of the 2005 Toll Task Force as described below:

Resolution No.	Subject
04.2005	Interim tolls for the Mainline effective 1 March 2005. Purpose: to establish new interim tolls pending the Board's disposition of the 2005 Mainline Tolls and Tariff Application.

2. *TransCanada PipeLines Limited (TCPL) – Reasons for Decision RH-2-2004, Phase I, 2004 Tolls – Code of Conduct – Extension of Time to File (File 4200-T001-19-1)*

On 25 February 2005, the Board approved an application dated 17 February 2005 from TCPL to extend the time to comply with the Board's direction in its RH-2-2004 Phase I Reasons for Decision wherein the Board directed TCPL to file a revised Code of Conduct no later than 28 February 2005. The Board directed TCPL to provide a progress report on or before 15 April 2005, including a date certain by which TCPL will file its revised Code of Conduct.

3. *TransCanada PipeLines Limited (TCPL) - Reasons for Decision RH-3-2004, North Bay Junction – Additions to the Mainline Tariff Concerning Proposals for New Receipt and Delivery Points – Application for an Extension of Time (File 4775-T001-1-13a)*

On 25 February 2005, the Board approved an application dated 17 February 2005 from TCPL to extend the time to comply with the Board's direction in its RH-3-2004 Reasons for Decision wherein the Board directed TCPL to file, no later than 28 February 2005, revisions to its Mainline tariff regarding proposals for new receipt and delivery points. The Board also decided that prior to determining whether to set a new timeline for the filing of the proposed tariff amendment that it wished to provide parties with an opportunity to comment on this matter.

Matters Pending

4. *Chevron Canada Limited (Chevron) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) – Priority Destination on the Terasen Pipelines (Trans Mountain) Inc. (Terasen) (Files 4775-T099-1-3 and -4)*

On 7 January 2005, Chevron and Chevron/Neste applied for orders designating Chevron's refinery at Burnaby, British Columbia as a priority destination for unapportioned delivery of crude oil and isooctane, respectively, on Terasen's pipeline system during such period of time as deliveries of crude oil and isooctane to the Burnaby refinery would otherwise be apportioned.

On 27 January 2005, the Board decided to convene a meeting, led by Board staff, to discuss:

- which issues need to be addressed to dispose of the application and why, and
- the appropriate process and timing to deal with these issues.

Among other things, the Board is interested in determining whether parties believe that the issues are best addressed through a public hearing, or whether some of the issues may be addressed effectively through an alternative process with involvement of Board staff. The meeting will be held in Calgary, Alberta on 7 March 2005.

5. *Enbridge Pipelines Inc. (Enbridge) – Interim Tolls for Line 9 (File 4400-E101-6)*

On 9 February 2005, Enbridge applied for approval of interim tolls for transportation service on Line 9 for the period 1 April to 30 June 2005.

6. TransCanada Pipelines Limited, B.C. System (TCPL) – Final Tolls for 2004 (File 3400-T054-2004-1)

On 27 October 2004, TCPL requested that the Board order that the 2004 interim rates authorized by Order TGI-10-2003 for the B.C. System are final tolls.

On 22 November 2004, the Board informed TCPL that it had decided to postpone its decision on the application pending the disposition of the Canadian Association of Petroleum Producers' application for review of the Board's RH-2-2004 Phase I Decision (see item 1 under *Appeal and Reviews, Reviews Pending* below).

7. TransCanada Pipelines Limited (TCPL) – Resolutions of the 2005 Toll Task Force (Files 4775-T001-1-14, 4775-T001-1/05-1, 4400-T001-25-1 and 4775-T001-1/05-2)

On 10 February 2005, TCPL applied for approval of various resolutions of the 2005 Toll Task Force as described below:

Resolution No.	Subject
01.2005	Amendments to the Short Term Firm Transportation Toll Schedule and Short Term Firm Transportation Pro Forma Contract. Purpose: to align the tariff with existing business practices.
02.2005	Amendments to Firm Transportation Service - Toll Schedule and General Terms and Conditions. Purpose: to incorporate alternate receipt points as a feature of firm service.
03.2005	Amendments to Firm Transportation Toll Schedule and General Terms and Conditions. Purpose: to apply winter diversion priority on a year-round basis to all diversions.

8. TransCanada Pipelines Limited (TCPL) – Resolutions of the 2005 Toll Task Force (Files 4775-T001-1-15 and 4775-T001-1/05-3)

On 17 February 2005, TCPL applied for approval of various resolutions of the 2005 Toll Task Force as described below:

Resolution No.	Subject
06.2005	Fuel Gas Incentive Program effective 1 November 2004 to 31 October 2005. Purpose: to comply with a Board direction in the Reasons for Decision RH-2-2004, Phase I.
07.2005	Amendments to the Storage Transportation Service (STS) Toll Schedule and Storage Transportation Service Pro Forma Contract. Purpose: to clarify that Firm Transportation service linked to STS must be long-haul; introduce an excess withdrawal fee; modify the STS commodity billing process to align with operating practice; allow STS shipper to inject gas under Interruptible Transportation or Short Term Firm Transportation contracts, from an STS shipper's market to storage under specified circumstances; and allow conversion of STS to the proposed STS-Linked.
08.2005	New STS-Linked Toll Schedule and STS-Linked Pro Forma Contract and amendments to the Firm Transportation Service Toll Schedule. Purpose: to provide STS shippers with injection rights in an unbundled scenario.

TCPL also requested approval of amendments to the General Terms and Conditions and Transportation Access Procedures as a consequence of the amendment to STS Toll Schedule and the new STS-Linked Toll Schedule proposed in resolutions 07.2005 and 08.2005.

9. Trans-Northern Pipelines Inc. (TNPL) – 2005 Tolls (File 4200-T002-12)

On 1 March 2005, TNPI applied for approval of final tolls for 2005 effective 1 January 2005. TNPI stated that its transportation revenue requirement for 2005 will increase to approximately \$60.2 million as compared to the calculated transportation requirement of \$35.9 million in 2004. Average tolls for 2005 will decrease by 0.6 percent as compared to those approved for 2004.

Appeal and Reviews

Appeal Pending

1. *Sumas Energy 2, Inc. (SE2) – Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia.

On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

Reviews Pending

1. *Canadian Association of Petroleum Producers (CAPP) – Review of Reasons for Decision RH-2-2004, Phase I – TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)*

On 12 November 2004, CAPP applied for a review of the Board's Reasons for Decision RH-2-2004, Phase I with respect to TCPL's 2004 Mainline Tolls. CAPP stated that the Board committed errors that raise doubt as to the correctness of its decision. The errors relate to the determinations made by the Board concerning:

- (a) approving tolls for Non-Renewable Firm Transportation Service to be determined on a biddable basis;
- (b) allowing TCPL to include all forecast long-term incentive compensation costs in its 2004 cost of service; and,
- (c) allowing TCPL to recover through tolls certain regulatory and legal costs relating to review and appeal proceedings.

2. *Coral Energy Canada Inc. and Cogenerators Alliance (Applicants) – Review of Reasons for Decision RH-2-2004, Phase I – TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)*

On 11 January 2005, the Applicants applied for review and variance of the Board's Reasons for Decision RH-2-2004, Phase I with respect to TCPL's 2004 Mainline Tolls. The Applicants asked for a review and variance of the Decision on the following issues:

- (a) the arrangements entered into by TCPL pursuant to the Waste Heat Agreements and the Compressor Operating Agreement; and,
- (b) TCPL's applied-for Operation, Maintenance and Administration costs for the 2004 test year.

The Applicants stated that the Board committed errors of law that make certain determinations in the Phase I Decision incorrect. Specifically the Board erred by:

- (a) adopting a decision-making procedure that inappropriately shifted the burden of proof onto intervenors, thereby compromising the Board's consideration of the evidence; and,
- (b) breaching the legal duty of fairness by failing to provide adequate reasons for its decisions.

Amendments to Regulations

Regulatory Initiatives Pursuant to the National Energy Board Act

1. *Cost Recovery Regulations – Electricity – Review (File 175-A000-72-2)*

The Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders.

As part of the review, the Board held an all-day workshop on 9 December 2004 in Calgary, Alberta. The summary of the workshop is available on the Board's Web site. The Board will hold further meetings with the industry in the spring of 2005.

2. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it has completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

3. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. *The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations*

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

5. *The Canada Oil and Gas Geophysical Operations Regulation*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Regulatory Initiative Pursuant to the Canada Labour Code

6. *Regulations and Guidance Notes Pertaining to the Canada Labour Code, Part II*

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Scheduled Energy Market Assessments 2005-2006

1. *Alberta's Ultimate Potential for Conventional Natural Gas*

The Energy and Utilities Board jointly with the NEB will be assessing the ultimate potential of conventional natural gas resources of Alberta. The report is expected to be released in March 2005.

2. *Outlook for Electricity Markets 2005-2006*

This EMA will provide an assessment of electricity markets in Canada with emphasis on the main drivers influencing current and near-term trends in generation, demand, pricing, capacity additions, and trade. As a result of the assessment, the key issues facing the industry will be identified and discussed. The report is expected to be released in June 2005.

3. *Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential*

The British Columbia Ministry of Energy and Mines jointly with the NEB will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in September 2005.

4. *Short-term Outlook for Natural Gas and NGLs 2000-2006*

This project would examine supply, demand, inventories, prices, etc., from 2000 and provide an outlook to 2006. The report is expected to be released in October 2005.

5. *Short-term Outlook for Canadian Crude Oil to 2006*

To present the NEB's views on crude oil and petroleum product supply, prices and markets out to 2006. The report is expected to be released in October 2005

6. *Natural Gas for Power Generation: Issues and Implications*

This project would examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in December 2005.

7. *Renewable and Alternative Sources of Power*

This report will address alternative and renewable technologies. Interest in alternative and renewable technologies, such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible supplemental energy sources continue to grow in Canada. Demand reduction (or demand response) programs may also be considered an energy source. The report is expected to be released in February 2006.

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8.

Applications - Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Submit a Document*.

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For a current list of the telephone numbers of Board Members and key staff, see our Internet site under the heading *About Us, Our People*.

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
TransCanada Pipelines Limited	File: 3400-T001-237 Order: XG-T001-02-2005	Application dated 20 January 2005; approved on 4 February 2005. 2005 Cathodic Protection Program No. 1- Ontario.	63 000
Echoex Energy Inc.	File: 3400-E135-1 Order: XG-E135-05-2005	Application dated 6 December 2004; approved on 23 February 2005. Construct a 3.3 km pipeline from Alberta to Saskatchewan.	292 500
Westcoast Energy Inc.	File: 3400-W005-343 Order: XG-W005-04-2005	Application dated 17 January 2005; approved on 23 February 2005. Reactivate part of the Ekwan Pipeline located 80 km east of Fort Nelson, B.C.	1 745 000
806026 Alberta Ltd.	File: 3400-Z007-4 Order: 3400-Z007-03-2005	Application dated 15 December 2004; approved on 14 February 2005. Construct the 16.5 km Pesh Creek Pipeline Loop in northern B.C. and Alberta.	4 587 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Terasen Pipelines (Trans Mountain) Inc.	File: 3400-T099-8 Order: XO-T099-02-2005	Application dated 19 January 2005; approved on 8 February 2005. Construct three valve vaults.	210 000
	File: 3400-T099-12 Order: XO-T099-03-2005	Application dated 13 December 2004; approved on 8 February 2005. Bank armouring at the Athabaska River crossing in Jasper National Park.	678 200

Appendix II

Other Filings

<i>Company</i>	<i>Date</i>	<i>Filing</i>
Plains Marketing Canada, L.P.	4 February	File 4775-P102-1-1 – Filing of the Wascana Pipeline Petroleum Toll Schedule No. 7.3.
Express Pipeline Ltd.	7 February	File 3400-E092-7 – Application for leave to open tie-in piping at the Peace Butte, Jenner and Ribstone Creek pump stations in Alberta. Approved on 10 February 2005.
Trans-Northern Pipelines Inc.	8 February	File 3200-T002-1-1 – Application for leave to open a portion of the Kingston, Ontario Pump Station which was approved by Certificate OC-48; Capacity Expansion, Line Reversal Project. Approved on 24 February 2005.
Westcoast Energy Inc.	9 February	File 3400-W005-346 – Application to reconfigure part of the Milligan/Peejay Extension Pipeline and to deactivate the downstream Milligan Peejay Extension Pipeline.
Nexen Inc.	9 February	File 7200-N085-3 – Application to change the name Nexen Inc. to Nexen Canada Ltd. as holder of long-term natural gas export Licence GL-290.
Express Pipeline Ltd.	11 February	File 3400-E092-7 – Application for leave to open station piping at the Peace Butte, Jenner and Ribstone Creek pump stations in Alberta. Approved on 23 February 2005.
Enbridge (NW) Pipelines Inc.	11 February	File 4750-E102-1 – Filing of 2004 Actual Full Cost of Service and Annual Surveillance Report.
KEYERA Energy Ltd.	15 February	Files 3400-K035-2 and 3400-K037-1 – Application to change the name of KeySpan Energy Canada Company to KEYERA Energy Ltd. in Order XG-M94-59-94 for the 4.5 km Greenstreet Pipeline from Alberta to Saskatchewan.
Trans-Northern Pipelines Inc.	18 February	File 3200-T002-1-1 – Application for leave to open a booster station in Kingston, Ontario which was approved by Certificate OC-48; Capacity Expansion, Line Reversal Project.
Trans-Northern Pipelines Inc.	21 February	File 3100-T002-1 – Application for leave to open a pipeline from Saint-Joseph du Lac to Oka, Québec, a pipeline which was approved by Certificate OC-48; Capacity Expansion, Line Reversal Project.
TQM Pipelines	25 February	File 4750-T028-2004-4 – Filing of surveillance report for the 12 month period ending on 31 December 2004.
TransCanada PipeLines Limited	25 February	File 4750-T001-2004-4 – Filing of Mainline surveillance report for the 12 month period ending 31 December 2004.
TransCanada PipeLines Limited	25 February	File 4750-T054-2004-4 – Filing of the BC System surveillance report for the 12 month period ending 31 December 2004.
Foothills Pipe Lines Ltd.	28 February	File 4750-F006-2004-1 – Filing of Surveillance Report for the 12 month period ending 31 December 2004.
Westcoast Energy Inc.	28 February	File 4750-W005-2004-4 – Filing of Surveillance Report for the 12 month period ending 31 December 2004.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this Regulatory Agenda is the month of March 2005

Alberta's Ultimate Potential For Conventional Natural Gas

On 9 March 2005, the National Energy Board and the Alberta Energy and Utilities Board jointly released a report entitled *Alberta's Ultimate Potential for Conventional Natural Gas*.

The report estimates that Alberta's ultimate potential for marketable conventional natural gas is 6 276 billion cubic metres (223 trillion cubic feet). The report shows that 2 838 billion cubic metres

(101 trillion cubic feet) of conventional natural gas remains to be developed. Of that amount, there is 1 104 billion cubic metres (39 trillion cubic feet) discovered and 1 734 billion cubic metres (62 trillion cubic feet) undiscovered. Data from 320 000 wells drilled to December 2004 was used to arrive at the numbers.

NEB Workshop 2005

The Board will be hosting the NEB Workshop 2005 from 6 to 8 June 2005 in the Calgary Telus Convention Centre. Attendance at the Workshop is free, but you must register by 27 May 2005.

People who have an interest in the NEB, such as representatives of NEB-regulated companies; municipal, provincial and federal agencies; and industry associations, will want to attend this event.

There are five key goals for the Workshop: to communicate, to refine initiatives, to consult, to inform and to enhance. In keeping with the theme for the event, *collaborating for regulatory*

improvement, the Workshop will be highly interactive. We are looking to participants to provide us with insight and ideas for regulatory improvement.

The sessions have been split up into seven streams: (i) Regulatory Initiatives, (ii) Internal Initiatives, (iii) Environmental Protection, (iv) Safety Management, (v) Integrity Management, (vi) Emergency Management and (vii) Human Environment.

For more information, visit our Web site at www.neb-one.gc.ca/EngagingCanadians.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety,
Environmental Protection and
Economic Efficiency"**

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Pipeline Safety and Environment Performance

On 29 March 2005, the Board released a report entitled *Focus on Safety and Environment – A Comparative Analysis of Pipeline Performance 2000-2003*.

The safety performance of pipeline companies regulated by the Board continues to compare well with that of other companies whose performance is monitored by other provincial, national and international organizations.

The report provides details on the safety performance of Board-regulated oil and gas pipelines for the calendar years 2003, 2002, 2001 and 2000. The Board identified six key indicators that provide meaningful measures of the safety performance of pipeline companies. These key indicators include fatalities, injury frequencies, ruptures, unauthorized activities on the right of way, liquid hydrocarbon releases and gas releases.

Public Hearing Applications

Hearing Decision Pending

1. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls, Phase II – RH-2-2004 (File 4200-T001-19)*

The Board held a public hearing from 29 November 2004 to 4 February 2005 (22 days) in Calgary on Phase II of an application from TCPL for approval of new tolls it may charge on its mainline system for the period 1 January to 31 December 2004. Phase II of the hearing dealt with cost of capital matters.

Hearings Scheduled

1. *Enbridge Pipelines Inc. (Enbridge) – Spearhead Pipeline and a Reversal Pipeline Project – RH-1-2005 (File 4200-E101-6)*

The Board will hold a public hearing commencing on 7 April 2005 in Calgary on two applications from Enbridge for the implementation of Non-Routine Adjustments. The first application is to enable Enbridge to recover, in its Canadian pipeline tolls, US\$10 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma. The second application is to enable Enbridge to recover, in its Canadian pipeline tolls, US\$10 million per year for five years to support a Mobil Pipe Line Company initiative to reverse the flow of its 508 millimetre (20 inch) pipeline which runs from Patoka, Illinois to Corsicana, Texas.

2. *Chevron Canada Limited (Chevron Canada) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) – Priority Destination – MH-2-2005 (Files 4755-T099-3 and -4)*

The Board will hold a public hearing commencing on 12 September 2005 in Calgary on two

applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system. The first application is for delivery of crude oil by Chevron Canada, and the second application is for delivery of isooctane by Chevron/Neste.

Chevron Canada is requesting a priority designation for the unapportioned delivery from Edmonton to Burnaby of up to 5 500 cubic metres per day of crude oil during periods that nominations would otherwise be apportioned. Chevron/Neste are requesting priority designation of unapportioned delivery from Edmonton to Burnaby of up to 2 400 cubic metres per day of isooctane during periods that nominations would otherwise be apportioned.

3. *New Brunswick Power Transmission Corporation (NB Power) – International Power Line (IPL) – Detailed Route Hearing – MH-1-2005 (File 2200-N102-1-2)*

The Board will hold a public hearing commencing 9 May 2005 in St. Stephen, New Brunswick in response to opposition concerning portions of the proposed detailed route of the NB Power IPL. The objections were filed by eight landowners on the power line route from Lepreau to St. Stephen.

The issues to be discussed at the hearing are limited to (i) the best possible detailed route of the IPL and (ii) the most appropriate methods and timing of construction.

The Board issued a certificate to NB Power in the fall of 2003 approving the construction and operation of the 95.5 kilometre, 345 kV IPL from the existing transmission terminal at the Point Lepreau Generating Station to a point on the

Maine-New Brunswick border west of St. Stephen. A public hearing was held in Saint John in March 2003.

4. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties – Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited,

Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited, ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited. The Board will announce at a later time the dates and locations of its public hearing.

The Mackenzie Gas Project includes a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station.

Non-Public Hearing Applications

Electricity Matter

Matter under Consideration

1. *Constellation New Energy, Inc. (Constellation) – Electricity Export (File 6200-C382-1)*

On 11 February 2005, Constellation applied for approval to export up to 7 000 000 megawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

Frontier Matters

Matters Completed

1. *Paramount Resources Ltd. – Drill a Well*

On 1 March 2005, Paramount was given approval, pursuant to section 83.(1) of the *Canada Oil and Gas Drilling Regulations* (COGDR), to drill the well Cameron 2F-73.

2. *Paramount Resources Ltd. – Alter the Condition of a Well*

On 3 March 2005, Paramount was given approval, pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulations* (COGPCR), to alter the condition of the well Fort Liard O-35.

3. *Canadian Natural Resources Ltd. – Well Termination Record*

On 10 March 2005, Canadian Natural was given approval, pursuant to sub-section 203(1) of the COGDR, of the *Well Termination Record* for the well North Liard N-61.

4. *Paramount Resources Ltd. – Drill a Well*

On 17 March 2005, Paramount was given approval, pursuant to section 83.(1) of the COGDR, to drill the well Cameron 2M-73.

5. *Paramount Resources Ltd. – Alter the Condition of two Wells*

On 18 March 2005, Paramount was given approval, pursuant to subsection 19(3) of the COGPCR, to alter the condition of the wells Cameron H-03 and Cameron C-16.

6. *Paramount Resources Ltd. – Alter the Condition of a Well*

On 24 March 2005, Paramount was given approval, pursuant to subsection 19(3) of the COGPCR, to alter the condition of the well Cameron 2F-73.

7. *Paramount Resources Ltd. – Alter the Condition of a Well*

On 29 March 2005, Paramount was given approval, pursuant to subsection 19(3) of the COGPCR, to alter the condition of the well Cameron F-19.

Gas Matters

Matters Completed

1. *ProGas Limited (ProGas) – Amend a Gas Sale Agreement and Natural Gas Export Licence GL-161 (Files 7200-P038-8-1 and 7200-P038-8-2)*

On 3 March 2005, the Board approved an application dated 27 January 2005 from ProGas for approval to amend the pricing provisions in a gas export sales contract between ProGas and Orchard Gas Corporation, as agent for MASSPOWER and Granite State Gas Transmission Inc., underpinning natural gas exports under Licence GL-161. MASSPOWER is a cogeneration facility located in Massachusetts and Granite State re-sells the gas to affiliated local distribution companies in Massachusetts, New Hampshire, and Maine. The Board also approved ProGas' application to reduce the term of Licence GL-161 to terminate on 1 April 2009 rather than 1 April 2011.

Under Licence GL-161, ProGas is authorized to export up to 708 200 cubic metres (25 million cubic feet) of natural gas per day near Iroquois, Ontario.

2. *ProGas Limited (ProGas) – Amend a Gas Sales Contract – Licence GL-270 (Files 7200-P038-12-1 and 7200-P038-12-2)*

On 10 March 2005, the Board approved an application dated 10 January 2005 from ProGas to amend the pricing provision in the gas export sales contract with Great Plains Natural Gas Company (Great Plains) underpinning natural gas exports under Licence GL-270. Great Plains is a local distribution company serving a number of communities located in northern Minnesota and Wahpeton in North Dakota. Under Licence GL-270, ProGas is currently authorized to export up to 370 000 cubic metres (13.1 million cubic feet) per day of natural gas at Emerson, Manitoba to Great Plains.

Matter Pending

3. *EnCana Corporation (EnCana) – Replacement of a Gas Sale Agreement – Licences GL-284 and GL-285 (Files 7200-E112-1-1 and 7200-E112-1-2)*

On 23 December 2004, EnCana applied for approval of a gas sale agreement entitled the *Cross-Border Commodity Purchase & Sale Agreement* that would replace the original gas sale agreement dated 1 January 1994 underpinning natural gas export Licences GL-284 and GL-285. Under Licences GL-284 and GL-285, EnCana is authorized to export approximately 1.6 billion cubic metres (55.2 billion cubic feet) and 1.0 billion cubic metres (35.2 billion cubic feet), respectively, in any consecutive 12-month period ending 31 October. On 3 February 2005, the Board sent a letter to EnCana requesting additional information.

Pipeline Matters

Matter Completed

1. *Section 58 Applications*

The Board has approved applications under section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matters Pending

2. *806026 Alberta Ltd. – Pesh Creek Pipeline Loop (File 3400-Z007-4)*

On 15 December 2004, 806026 Alberta Ltd. applied for approval to construct 16.5 kilometres of 273.1 millimetre (10 inch) natural gas pipeline loop known as the Pesh Creek Pipeline Loop. The Pesh Creek Pipeline Loop will tie into the existing Pesh Creek Pipeline in British Columbia and to the existing Pesh Creek Pipeline and meter station in Alberta. The Pipeline Loop will be constructed almost entirely within, or adjacent to, the existing Pesh Creek Pipeline corridor. The pipeline will transport natural gas from the existing Duke Energy Field Services Canada Ltd.'s Peggo gas processing facility in d-83-C/94-P-8 in northeastern British Columbia to the existing NOVA Gas Transmission Ltd. Shekilie River North meter station at 10-04-119-12 W6M in northwestern Alberta. The estimated cost of the project is \$4,587,000 and the proposed in-service date is the spring of 2005.

**3. TransCanada PipeLines Limited (TCPL) –
Les Cèdres Loop (File 3400-T001-238)**

On 28 February 2005, TCPL applied for approval to construct 21.3 kilometres of 914 millimetre (36 inch) pipeline loop from mainline valve 147A in the Municipality of Saint-Télesphore, Quebec to MLV 148 in the Municipality of Les Cèdres, Quebec (Les Cèdres Loop). The proposed Les Cèdres Loop, together with the capacity provided by the existing mainline facilities, will be needed to enable TCPL to transport the natural gas required for a new gas-fired cogeneration plant being constructed at Bécancour, Québec. The estimated cost of the project is \$44.1 million and the proposed in service date is 1 November 2006.

4. Montreal Pipe Line Limited (MPL) and Shell Canada Products Limited, on behalf of Shell Canada Products (Shell) – Sale and Purchase of Pipelines (Files 3400-M003-29 and 3400-S179-1)

On 8 March 2005, MPL and Shell jointly applied for leave for MPL to sell and Shell to purchase MPL's interest in certain portions of three delivery lines currently servicing the Shell refinery in Montréal, Quebec. The portions of the pipelines that Shell will purchase are all located on the Shell refinery property. MPL will retain ownership of the portions of the pipelines which are not located on the Shell refinery property.

5. EnCana Border Pipelines Limited (EnCana) and 1057533 Alberta Ltd. – Sale and Purchase of a Pipeline (Files 3400-E125-3 and 3400-Z011-1)

On 10 March 2005, EnCana and 1057533 Alberta Ltd. jointly applied for leave for EnCana to sell and 1057533 Alberta Ltd. to purchase the Monchy Pipeline Facilities. The facilities include a natural gas meter station located approximately one kilometre from the Village of Monchy, Saskatchewan and 750 metres of 219.1 millimetre (eight inch) pipeline extending directly south from the meter station to the Canada-United States border. The facilities were originally constructed by Canadian-Montana Pipe Line Corp. in 1999.

Safety

1. Safety Advisory NEB SA 2005-01, Faulty Equipment (File 9700-A000-1-30)

On 3 March 2005, the Board issued a safety advisory regarding the hazards associated with the use of faulty tools and equipment. The safety advisory results from an incident where a fuel line of a jumping jack caught fire while it was being used to compact clay around a piping manifold at an oil transmission facility. The cause of this incident was the use of defective equipment.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. Enbridge Pipelines Inc. (Enbridge) – Interim Tolls for Line 9 (File 4400-E101-6)

On 9 March 2005, the Board approved an application dated 9 February 2005 from Enbridge for approval of interim tolls for transportation service on Line 9 for the period 1 April to 30 June 2005.

2. TransCanada Pipelines Limited (TCPL) – Resolutions of the 2005 Toll Task Force (Files 4775-T001-1-14, 4775-T001-1/05-1, 4400-T001-25-1, 4200-T001-20 and 4775-T001-1/05-2)

On 9 and 10 March 2005, the Board approved applications dated 10 February 2005 from TCPL for approval of resolutions of the 2005 Toll Task Force as described below.

Resolution No.	Subject
01.2005	Amendments to the Short Term Firm Transportation Toll Schedule and Short Term Firm Transportation Pro Forma Contract. Purpose - to align the tariff with existing business practices.
02.2005	Amendments to Firm Transportation Service - Toll Schedule and General Term and Conditions. Purpose - to incorporate alternate receipt points as a feature of firm service.
03.2005	Amendments to Firm Transportation Toll Schedule and General Terms and Conditions. Purpose - to apply winter diversion priority on a year-round basis to all diversions.

3. TransCanada Pipelines Limited (TCPL) – Resolutions of the 2005 Toll Task Force (File 4775-T001-1/05-03)

On 30 March 2005, the Board approved an application dated 17 February 2005 from TCPL for approval of resolutions of the 2005 Toll Task Force as described below.

Resolution No.	Subject
07.2005	Amendments to the Storage Transportation Service (STS) Toll Schedule and STS Pro Forma Contract. Purpose - to clarify that Firm Transportation service linked to STS must be long-haul; introduce an excess withdrawal fee; modify the STS commodity billing process to align with operating practice; allow STS shipper to inject gas under Interruptible Transportation or Short Term Firm Transportation contracts, from an STS shipper's market to storage under specified circumstances; and allow conversion of STS to the proposed STS-Linked.
08.2005	New STS-Linked Toll Schedule and STS-Linked Pro Forma Contract and amendments to the Firm Transportation Service Toll Schedule. Purpose - to provide STS shippers with injection rights in an unbundled scenario.

The Board also approved amendments to the General Terms and Conditions and Transportation Access Procedures as a consequence of the amendment to the STS Toll Schedule and the new STS-Linked Toll Schedule proposed in the above resolutions.

Matters Pending

4. TransCanada Pipelines Limited, BC System (TCPL) – Final Tolls for 2004 (File 3400-T054-2004-1)

On 27 October 2004, TCPL requested that the Board order that the 2004 interim rates authorized by Order TGI-10-2003 for the BC System are final tolls.

On 22 November 2004, the Board informed TCPL that it had decided to postpone its decision on the application pending the disposition of the Canadian Association of Petroleum Producers' application for review of the Board's RH-2-2004 Phase I Decision (see item 1 under *Appeal and Reviews, Reviews Pending* below).

5. TransCanada Pipelines Limited (TCPL) – Resolutions of the 2005 Toll Task Force (File 4200-T001-20)

On 3 March 2005, TCPL applied for approval of a resolution of the 2005 Toll Task Force as described below.

Resolution No.	Subject
05.2005	Negotiated Settlement of 2005 Mainline Tolls. On 17 March 2005, the Board sought comments from interested parties on the application.

6. TransCanada Pipelines Limited (TCPL) – Resolution of the 2005 Toll Task Force (File 4775-T001-1-15)

On 17 February 2005, TCPL applied for approval of a resolution of the 2005 Toll Task Force as described below.

Resolution No.	Subject
06.2005	Fuel Gas Incentive Program effective 1 November 2004 to 31 October 2005. Purpose - to comply with a Board direction in the RH-2-2004, Phase I Reasons for Decision.

7. Trans-Northern Pipelines Inc. (TNPL) – 2005 Tolls (File 4200-T002-12)

On 1 March 2005, TNPI applied for approval of final tolls for 2005 effective 1 January 2005. TNPI stated that its transportation revenue requirement for 2005 will increase to approximately \$60.2 million as compared to the calculated transportation requirement of \$35.9 million in 2004. Average tolls for 2005 will decrease by 0.6 percent as compared to those approved for 2004.

On 9 March 2005, the Board approved an application dated 7 March 2005 to continue to charge the interim tolls which were approved by Order TOI-4-2005 until such time as final tolls for 2005 are approved by the Board.

On 17 March 2005, the Board sought comments from interested parties on the application.

Appeal and Reviews

Appeal Pending

1. *Sumas Energy 2, Inc. (SE2) – Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia.

On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

Reviews Pending

1. *Canadian Association of Petroleum Producers (CAPP) – Review of RH-2-2004, Phase I Reasons for Decision – TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)*

On 12 November 2004, CAPP applied for a review of the Board's RH-2-2004, Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. CAPP stated that the Board committed errors that raise doubt as to the correctness of its decision. The errors relate to the determinations made by the Board concerning:

- (a) approving tolls for Non-Renewable Firm Transportation Service to be determined on a biddable basis;
- (b) allowing TCPL to include all forecast long-term incentive compensation costs in its 2004 cost of service; and,
- (c) allowing TCPL to recover through tolls certain regulatory and legal costs relating to review and appeal proceedings.

2. *Coral Energy Canada Inc. and Cogenerators Alliance (Applicants) – Review of RH-2-2004, Phase I Reasons for Decision – TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)*

On 11 January 2005, the Applicants applied for review and variance of the Board's RH-2-2004, Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. The Applicants asked for a review and variance of the Decision on the following issues:

- (a) the arrangements entered into by TCPL pursuant to the Waste Heat Agreements and the Compressor Operating Agreement; and,
- (b) TCPL's applied-for Operation, Maintenance and Administration costs for the 2004 test year.

The Applicants stated that the Board committed errors of law that make certain determinations in the Phase I Decision incorrect. Specifically the Board erred by:

- (a) adopting a decision-making procedure that inappropriately shifted the burden of proof onto intervenors, thereby compromising the Board's consideration of the evidence; and,
- (b) breaching the legal duty of fairness by failing to provide adequate reasons for its decisions.

Amendments to Regulations

Regulatory Initiatives Pursuant to the National Energy Board Act

1. Cost Recovery Regulations – Electricity – Review (File 175-A000-72-2)

The Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders.

As part of the review, the Board held an all-day workshop on 9 December 2004 in Calgary, Alberta. The summary of the workshop is available on the Board's Web site. The Board will hold further meetings with the industry in the Spring of 2005.

2. National Energy Board Damage Prevention Regulations

On 7 February 2005, the Board informed interested parties that it has completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

3. Canada Oil and Gas Diving Regulations and Guidance Notes

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

4. The Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations

For more information on this matter, refer to item 5 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

5. The Canada Oil and Gas Geophysical Operations Regulations

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the October 2004 issue of the *Regulatory Agenda*.

Regulatory Initiative Pursuant to the Canada Labour Code

6. Regulations and Guidance Notes Pertaining to the Canada Labour Code, Part II

For more information on this matter, refer to item 6 under *Amendments to Regulations and Rules* in the February 2003 issue of the *Regulatory Agenda*.

Administrative Matters

Appointment

On 22 March 2005, the Minister of Natural Resources Canada appointed Patricia McCunn Miller as a Member of the Board for a term of seven years.

Ms. McCunn Miller, a lawyer by training, was born in Montréal, educated in Ottawa, and has practiced extensively in Alberta. She has some 20 years of experience in regulatory and energy matters gained in both the public and private sectors.

She served as counsel with Macleod Dixon from 1984 to 1987, worked at the Alberta Petroleum Marketing Commission from 1987 to 1996 where she advanced to General Counsel and Corporate Secretary, became Vice-President and General Counsel at ESBi Alberta Ltd. in 1999, after which she was employed by PanCanadian/EnCana as Vice-President, Environment and Regulatory Affairs.

She served recently as Vice-Chair of the National Round Table on the Environment and the Economy as well as being involved in an executive capacity with a number of energy and climate change committees.

Living and Working Near Pipelines: Landowner Guide 2005

On 1 March 2005, the Board issued an updated version of the above-noted document and it is available on our Web site under *Safety & Environment*.

Regulatory Improvement Workshop – NEB Strategic Plan 2005-2008

On 22 March 2005, the Board made public the Facilitator's Report of the Regulatory Improvement Workshop held on 8 November 2004. The purpose of the Workshop was to engage with people representing a range of interests in NEB matters to gain a better understanding of their challenges and any actions the Board might take to address them.

The Board also issued the Board's Strategic Plan 2005-2008. It was finalized with input from stakeholders who participated in the Regulatory Improvement Workshop.

Scheduled Energy Market Assessments (EMA) 2005-2006

1. *Outlook for Electricity Markets 2005-2006*

This EMA will provide an assessment of electricity markets in Canada with emphasis on the main drivers influencing current and near-term trends in generation, demand, pricing, capacity additions and trade. As a result of the assessment, the key issues facing the industry will be identified and discussed. The report is expected to be released in June 2005.

2. *Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential*

The British Columbia Ministry of Energy and Mines jointly with the NEB will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in September 2005.

3. *Short-term outlook for Natural Gas and NGLs 2000-2006*

This EMA will examine supply, demand, inventories, prices, etc., of natural gas and natural gas liquids from 2000 and provide an outlook to 2006. The report is expected to be released in October 2005.

4. *Short-term outlook for Canadian Crude Oil to 2006*

This EMA will present the Board's views on crude oil and petroleum product supply, prices and markets to 2006. The report is expected to be released in October 2005.

5. *Short-term Canadian Natural Gas Deliverability, 2005-2007*

This EMA will examine the factors which affect Canadian natural gas supply in the short-term and present an outlook for deliverability through to the year 2007. Factors examined include trends in industry activity and the production characteristics of gas wells. The report is expected to be released in October 2005.

6. *Natural Gas for Power Generation: Issues and Implications*

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in December 2005.

7. Renewable and Alternative Sources of Power

This EMA will address alternative and renewable technologies. Interest in alternative and renewable technologies, such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible

supplemental energy sources continue to grow in Canada. Demand reduction (or demand response) programs may also be considered an energy source. The report is expected to be released in February 2006.

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 – Fax: (403) 292-5503.

Applications – Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Submit a Document*.

Communication Numbers

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National Energy Board
Michel L. Mantha
Secretary

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Consumers' Gas (Canada) Ltd.	Files: 3200-Z009-1 and 3200-C283-1 Order: XG-Z009-06-2005	Application dated 17 September 2004; approved on 3 March 2005. Change the name in several Board orders from Consumers' Gas (Canada) Limited to 2193914 Canada Limited.	N/A
	Files: 3200-Z009-1 and 3200-C283-1 Order: XG-Z009-07-2005	Application dated 17 September 2004; approved on 3 March 2005. Change the name in several Board orders from Consumers' Gas (Canada) Limited to 2193914 Canada Limited.	N/A
TransCanada PipeLines Limited	File: 3400-T001-236 Order: XG-T001-08-2005	Application dated 7 January 2005; approved on 3 March 2005. Contaminant sampling and remediation program 2005, Station 25.	1 630 000
Westcoast Energy Inc.	File: 2400-W005-345 Order: XG-W005-10-2005	Application dated 20 January 2005; approved on 8 March 2005. Replace the lining and increase the containment capacity of the drain pond at the Fort Nelson Gas Plant in B.C.	100 000
	File: 3400-W005-344 Order: XG-W005-09-2005	Application dated 19 January 2005; approved on 7 March 2005. Upgrade four flare sites in the Fort Nelson gathering area.	411 000
	File: 3400-W005-346 Order: XG-W005-11-2005	Application dated 9 February 2005; approved on 16 March 2005. Reconfigure the Milligan Peejay Pipeline and deactivate a section of the Milligan Peejay Extension pipeline North of Fort St. John, B.C.	520 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Enbridge Pipelines (NW) Inc.	File: 3400-E102-11 Order: XO-E102-04-2005	Application dated 4 January 2005; approved on 24 March 2005. Five projects.	326 000

Appendix II

Other Filings

<i>Company</i>	<i>Date</i>	<i>Filing</i>
TransCanada PipeLines Limited	2 March	File 3400-T001-239 – Section 58 – 2005 Contaminant Sampling and Remediation Program - Station 130.
Maritimes & Northeast Pipeline	3 March	File 4750-M124-2004-4 – Filing of Annual Surveillance Report for the year ended 31 December 2004.
Westcoast Energy Inc.	3 March	File 4775-W005-1-1 – Framework for Light-handed Regulation: Amendment of toll schedules effective 1 November 2004, 1 February and 1 March 2005.
Maritimes & Northeast Pipeline	9 March	File 4775-M124-1-1 – Fuel retainage percentage effective 1 April 2005.
Foothills Pipe Lines Ltd.	14 March	File 4750-F006-2004-1 – Revised Annual Surveillance Report for the year ended 31 December 2004.
Foothills Pipe Lines Ltd.	14 March	File 4750-F006-2 – General and Administration Expenses Report for the year ended 31 December 2004.
Enbridge Pipelines Inc.	15 March	File 3402-E101-3-8 – Construction planned under Section 58 Streamlining Order XG/XO-100-2002.
Enbridge Pipelines Inc.	15 March	File 3402-E101-2-2004 – Report of Annual Expenditures under Section 58 Streamlining Order XG/XO-100-2000 and XG/XO-100-2002 for the year 2004.
Reliant Energy Services Canada, Ltd.	15 March	File 6200-R034-1 – Application to revoke electricity export Orders EPE-201 and EPE-202.
Westcoast Energy Inc.	16 March	File 3402-W005-3-10 – Listing of the Section 58 projects which were undertaken during 2004 under Streamlining Order XG/XO-100-2002.
Maritimes & Northeast Pipeline	17 March	File 4750-M124-2004-4 – Revised Annual Surveillance Report for the year ended 31 December 2004.
Husky Oil Limited	21 March	File 3400-H046-3-1 – Amend Order XO-H046-21-2004 to approve a change in construction schedule for the eight kilometre Border Crude Oil Pipeline Expansion from the fall of 2004 to the spring and summer of 2005.
Express Pipeline Ltd.	21 March	File 3400-E092-7 – Leave to open two new Hardisty tanks and associated piping approved under Order XO-E092-07-2004.
Westcoast Energy Inc.	22 March	File 3400-W005-347 – Section 58 – Application to replace approximately 126 metres of 660 millimetre pipeline within the Alaska Highway right-of-way at approximately kP 41.2 in Fort St. John, B.C.
Westcoast Energy Inc.	22 March	File 3402-W005-3-10 – Notification under Streamlining Order XG/XO-100-2002 to install high capacity filter units at the Pine River Gas Plant.
Westcoast Energy Inc.	24 March	File 3400-W005-348 – Section 58 – Replace the C and D train monoethanolamine storage tank at the Fort Nelson Gas Plant.
Westcoast Energy Inc.	24 March	File 4200-W005-17 – Application for approval of final tolls for Zones 3 and 4 to become effective on 1 January 2005.

Appendix II

Other Filings (continued)

Pembina North Limited Partnership	24 March	File 4710-P099 – Audited Financial Statements for the year ended 31 December 2004.
Wascana Pipelines System	24 March	File 4775-P102-1-1 – Toll Schedule for the transportation of crude petroleum effective 1 April 2005.
Montreal Pipe Line Limited	25 March	Files 3402-M003-2-2004 and 4710-M003 - 2004 – Audited Financial Statements for the year ended 31 December 2004.
Souris Valley Pipeline Limited	29 March	File 4710-S161 – Audited Financial Statements for the years ended 31 December 2003 and 2004.
Westcoast Energy Inc.	30 March	File 4775-W005-1-1 – Framework for Light-handed Regulation: Amendment of Toll Schedules effective 1 April 2005.
BP Canada Energy Resources Company	30 March	File 4775-B065-1-2 – Windsor Storage Facility Joint Venture - Tariff No. 8 for tolls effective 1 April 2005.
Express Pipeline Ltd.	31 March	File 4775-E092-1-1 – Tariff Nos. 53, 54, 55, 56 and 57 for tolls effective 1 April 2005.
TransCanada PipeLines Limited	31 March	File 4200-T001-20 – Filing of Interruptible Transportation Pricing Study in accordance with the Board' decision in RH-1-2002.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this Regulatory Agenda is the month of April 2005

2004 Annual Report

On 6 April 2005, the Board issued its 2004 Annual Report. The report is available on the Board's Web

site at www.neb.one.gc.ca under *Publications*.

NEB Workshop 2005

The Board will be hosting the NEB Workshop 2005 from 6 to 8 June 2005 at the Calgary Telus Convention Centre. Attendance at the Workshop is free, but you must register by 27 May 2005.

People who have an interest in the NEB, such as representatives of NEB-regulated companies; municipal, provincial and federal agencies; and industry associations, will want to attend this event.

There are five key goals for the Workshop: to communicate, to refine initiatives, to consult, to inform and to enhance. In keeping with the theme for the event, *collaborating for regulatory*

improvement, the Workshop will be highly interactive. We are looking to participants to provide us with insight and ideas for regulatory improvement.

The sessions have been split up into seven streams: (i) Regulatory Initiatives, (ii) Internal Initiatives, (iii) Environmental Protection, (iv) Safety Management, (v) Integrity Management, (vi) Emergency Management and (vii) Human Environment.

For more information, visit our Web site at www.neb-one.gc.ca/EngagingCanadians.

Public Hearing Applications

Decisions Rendered

1. *Enbridge Pipelines Inc. (Enbridge) – Spearhead Pipeline and a Reversal Pipeline Project – RH-1-2005 (File 4200-E101-6)*

On 28 April 2005, the Board announced that it has approved two applications from Enbridge

to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company (Mobil) to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana,

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety, Security,
Environmental Protection and
Economic Efficiency"**

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Texas. The Board has found that the tolls that will result from the decisions are just and reasonable and not unduly discriminatory.

The Board has decided to release the Decisions in advance of the Reasons for Decision in response to requests received from several parties during the public hearing held to consider the two applications. The Board will release its Reasons for Decision in due course. The Board held a public hearing from 7 to 12 April 2005 to consider the applications.

2. *TransCanada PipeLines Limited (TCPL) – 2004 Tolls, Phase II – RH-2-2004 (File 4200-T001-19)*

On 29 April 2005, the Board announced that it has approved an increase in TCPL's Mainline common equity ratio from 33 to 36 percent effective 1 January 2004. The Board considered the cost of capital aspects of TCPL's 2004 Tolls Application during Phase II of the RH-2-2004 public hearing held in Calgary from 29 November 2004 to 4 February 2005 (22 days). All other aspects of the 2004 Tolls Application were heard during Phase I of the public hearing and the Board rendered its decision on that phase of the hearing in September 2004.

Decision Pending

1. *Canadian Association of Petroleum Producers (CAPP) – Review of RH-2-2004, Phase I Reasons for Decision – TransCanada PipeLines Limited's (TCPL) 2004 Tolls – RH-R-1-2005 (File 4200-T001-19-R)*

The Board heard oral arguments on 26 April 2005 in Calgary on an application from CAPP for a review of the Board's RH-2-2004 Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. The Board heard arguments on the following:

- i) whether the Board's decision regarding the tolling of Non-Renewable Firm Transportation Service (FT-NR) should be confirmed, amended or overturned; and
- ii) if the decision should be amended or overturned, how FT-NR should be tolled.

On 18 February 2005, the Board informed parties that it was of the view that CAPP had raised a doubt as to the correctness of the decision on the basis that the Board may have erred in approving a different toll for FT-NR than the cost-based toll charged for Firm Transportation with a step-down.

Therefore, the Board decided on 18 March 2005 to hear oral arguments as the second step of the review process on the FT-NR question.

Hearings Scheduled

1. *New Brunswick Power Transmission Corporation (NB Power) – International Power Line (IPL) – Detailed Route Hearing – MH-1-2005 (File 2200-N102-1-2)*

The Board will hold a public hearing commencing 9 May 2005 in St. Stephen, New Brunswick in response to oppositions concerning portions of the proposed detailed route of the NB Power IPL. The objections were filed by eight landowners on the power line route from Lepreau to St. Stephen.

The issues to be discussed at the hearing are limited to (i) the best possible detailed route of the IPL and (ii) the most appropriate methods and timing of construction.

The Board issued a certificate to NB Power in the fall of 2003 approving the construction and operation of the 95.5 kilometre, 345 kilovolts IPL from the existing transmission terminal at the Point Lepreau Generating Station to a point on the Maine-New Brunswick border west of St. Stephen. A public hearing was held in Saint John in March 2003.

2. *Chevron Canada Limited (Chevron Canada) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) – Priority Destination – MH-2-2005 (Files 4755-T099-3 and 4755-T099-4)*

The Board will hold a public hearing commencing on 12 September 2005 in Calgary on two applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system. The first application is for delivery of crude oil by Chevron Canada, and the second application is for delivery of isooctane by Chevron/Neste.

Chevron Canada is requesting a priority designation for the unapportioned delivery from Edmonton to Burnaby of up to 5 500 cubic metres per day of crude oil during periods that nominations would otherwise be apportioned. Chevron/Neste are requesting priority designation of unapportioned delivery from Edmonton to Burnaby of up to 2 400 cubic metres per day of isooctane during periods that nominations would

otherwise be apportioned.

3. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties – Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited, Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited,

ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited. The Board will announce at a later time the dates and locations of its public hearing.

The Mackenzie Gas Project includes a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station.

Non-Public Hearing Applications

Electricity Matters

Matter Completed

1. *Constellation New Energy, Inc. (Constellation) – Electricity Export (File 6200-C382-1)*

On 26 April 2005, the Board approved an application dated 11 February 2005 from Constellation for permits to export up to 600 megawatts of firm power, 5256 gigawatt hours of firm energy and 1744 gigawatt hours of interruptible energy per year for a period of 10 years.

Matters under Consideration

2. *Calpine Energy Services Canada Ltd. (Calpine) – Electricity Export (File 6200-C191-1)*

On 5 April 2005, Calpine applied for permits to export up to 250 megawatts and up to 2160 gigawatt hours of combined firm and interruptible power and energy, respectively, per year for a period of 10 years.

3. *Lighthouse Energy Trading Co., Inc. (Lighthouse) – Electricity Export (File 6200-L032-2)*

On 5 April 2005, Lighthouse applied for permits to export, per year for a period of 10 years, up to: 300 megawatts of firm power; 500 megawatts of combined firm and interruptible power; 2 628 000 megawatt hours of firm energy, and; 1 752 000 megawatt hours of interruptible energy.

4. *Manitoba Hydro – Electricity Export (File 6200-M020-16)*

On 1 April 2005, Manitoba Hydro applied for a permit to export up to 20 kilowatts of firm power and 60 000 kilowatt hours of firm energy per year for a period five years as a border accommodation transfer to Roseau Electric Cooperative in Minnesota.

5. *Manitoba Hydro – Electricity Export (File 6200-M020-17)*

On 7 April 2005, Manitoba Hydro applied for permits to export up to 3250 megawatts of firm and/or interruptible power and up to 25 434 gigawatt hours of firm and/or interruptible energy per year for a period of five years. The application, in part, represents a renewal of existing Export Permits EPE-45 and EPE-46 which expire on 31 October 2005.

6. *TransCanada Energy Ltd. (TransCanada) – Electricity Export (File 6200-T094-1)*

On 14 April 2005, TransCanada applied for permits to export up to 350 megawatts of short term firm power and 3000 gigawatt hours of interruptible energy per year for a period of 10 years. The application represents a renewal of existing Export Permits EPE-78 and EPE-79 which expire on 15 November 2005.

Frontier Matters

Matters Completed

1. *Anadarko Canada Energy Co. (Anadarko) – Application dated 9 April 2003 for a Significant Discovery Declaration*

On 11 April 2005, the Board issued a declaration of “Significant Discovery” to Anadarko pursuant to Part II.1, subsection 28.2(4) of the *National Energy Board Act* and to Part III, subsection 28(1) of the *Canada Petroleum Resources Act* with respect to those frontier lands in the Arrowhead area, NWT comprising grid areas:

Latitude	Longitude	Sections
60° 40' N	123° 00' W	1, 2, 11, 12, 13

2. *Paramount Resources Ltd. – Well Termination Record*

On 1 April 2005, Paramount received approval, pursuant to the *Canada Oil and Gas Drilling Regulations*, of the *Well Termination Record* for the well Cameron 2M-73.

3. *Paramount Resources Ltd. – Alter the Condition of a Well*

On 1 April 2005, Paramount received approval, pursuant to the *Canada Oil and Gas Production and Conservation Regulations* (COGPCR), to alter the condition of the well Cameron 2M-73.

4. *Paramount Resources Ltd. – Alter the Condition of a Well*

On 21 April 2005, Paramount received approval, pursuant to the COGPCR, to alter the condition of the well Liard M-25.

Gas Matter

Matter Pending

1. *EnCana Corporation (EnCana) – Replacement of a Gas Sale Agreement – Licences GL-284 and GL-285 (Files 7200-E112-1-1 and 7200-E112-1-2)*

On 23 December 2004, EnCana applied for approval of a gas sale agreement entitled the *Cross-Border Commodity Purchase & Sale Agreement* that would replace the original gas sale agreement dated 1 January 1994 underpinning natural gas export Licences GL-284 and GL-285. Under Licences GL-284 and GL-285, EnCana is authorized

to export approximately 1.6 billion cubic metres and 1.0 billion cubic metres, respectively, in any consecutive 12-month period ending 31 October. On 3 February 2005, the Board sent a letter to EnCana requesting additional information.

Pipeline Matters

Matters Completed

1. *Section 58 Applications*

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

2. *EnCana Border Pipelines Limited (EnCana) and 1057533 Alberta Ltd. – Sale and Purchase of a Pipeline (Files 3400-E125-3 and 3400-Z011-1)*

On 14 April 2005, the Board approved a joint application dated 10 March 2005 from EnCana and 1057533 Alberta Ltd. for leave for EnCana to sell and 1057533 Alberta Ltd. to purchase the Monchy Pipeline Facilities. The facilities include a natural gas meter station located approximately one kilometre from the Village of Monchy, Saskatchewan and 750 metres of pipeline extending directly south from the meter station to the Canada-United States border. The facilities were originally constructed by Canadian-Montana Pipe Line Corp. in 1999.

3. *Montreal Pipe Line Limited (MPL) and Shell Canada Products Limited, on behalf of Shell Canada Products (Shell) – Sale and Purchase of Pipelines (Files 3400-M003-29 and 3400-S179-1)*

On 25 April 2005, the Board approved a joint application dated 8 March 2005 from MPL and Shell for leave for MPL to sell and Shell to purchase MPL's interest in certain portions of three delivery lines currently servicing the Shell refinery in Montréal, Quebec. The portions of the pipelines that Shell will purchase are all located on the Shell refinery property.

Matters Pending

4. *ConocoPhillips Canada Limited (ConocoPhillips) and Duke Energy Empress Management Inc., as General Partner and agent of Duke Energy Empress L.P. (Duke) – (Files 3200-C216-1 and 3200-D073-1)*

On 22 April 2005, ConocoPhillips and Duke, in a joint application, applied for leave for ConocoPhillips to sell and Duke to purchase certain pipeline facilities. The pipeline is approximately 930 kilometres and runs from near Empress, Alberta to near Winnipeg, Manitoba. The pipeline facilities were constructed in 1963.

5. EnCana Cypress Pipeline Ltd. (Encana) and Prairie Schooner Limited Partnership (Prairie) – Application for the Sale and Purchase of the Cypress Pipeline (Files 3400-E137-1 and 3400-P181-1)

On 21 April 2005, EnCana and Prairie, in a joint application, applied for leave for EnCana to sell and Prairie to purchase the Cypress Pipeline. The Cypress Pipeline is a 6.2 kilometre pipeline that runs from Alberta to Saskatchewan. The pipeline was originally constructed by AEC Suffield Gas Pipeline Inc. in 1999.

6. TransCanada PipeLines Limited (TCPL) – Les Cèdres Loop (File 3400-T001-238)

On 28 February 2005, TCPL applied for approval to construct 21.3 kilometres of pipeline loop from mainline valve 147A in the Municipality of Saint-Télesphore, Quebec to mainline valve 148 in the Municipality of Les Cèdres, Quebec (Les Cèdres Loop). The proposed Les Cèdres Loop, together with the capacity provided by the existing mainline facilities, will be needed to enable TCPL to transport the natural gas required for a new gas-fired cogeneration plant being constructed at Bécancour, Quebec. The estimated cost of the project is \$44.1 million and the proposed in service date is 1 November 2006.

Traffic, Tolls and Tariff Matters

Matters Completed

1. TransCanada PipeLines Limited (TCPL) – Resolution of the 2005 Toll Task Force (File 4200-T001-20)

On 7 April 2005, the Board approved a resolution of the 2005 Toll Task Force as described below.

Resolution No.	Subject
05.2005	Negotiated Settlement of 2005 Mainline Tolls.

2. TransCanada Pipelines Limited (TCPL) – Resolution of the 2005 Toll Task Force (File 4775-T001-1-15)

On 12 April 2005, the Board approved a resolution of the 2005 Toll Task Force as described below.

Resolution No.	Subject
06.2005	Fuel Gas Incentive Program effective 1 November 2004 to 31 October 2005. Purpose – to comply with a Board direction in the RH-2-2004 Phase I Reasons for Decision.

3. Westcoast Energy Inc. (WEI) – Final 2005 Tolls for Zones 3 and 4 (File 4200-W005-17)

On 15 April 2005, the Board approved an application dated 24 March 2005 from WEI for approval of the final transmission tolls for Zones 3 and 4 effective 1 January 2005.

4. Terasen Pipelines (Trans Mountain) Inc. (Terasen) – Final 2005 Tolls (File 4200-T099-5)

On 29 April 2005, the Board approved an application dated 8 April 2005 from Terasen for approval of final tolls for the year 2005. The final tolls have been calculated in accordance with the provisions of the current Incentive Toll Settlement for the period 2001 to 2005.

Matters Pending

5. TransCanada PipeLines Limited, BC System (TCPL) – Final Tolls for 2004 (File 3400-T054-2004-1)

On 27 October 2004, TCPL requested that the Board order that the 2004 interim rates authorized by Order TGI-10-2003 for the BC System are final tolls.

On 22 November 2004, the Board informed TCPL that it had decided to postpone its decision on the application pending the disposition of the Canadian Association of Petroleum Producers' application for review of the Board's RH-2-2004 Phase I Decision (see item 1 under *Public Hearing Applications, Decision Pending* above and item 1 under *Appeal and Reviews, Reviews Pending* below).

6. Trans-Northern Pipelines Inc. (TNPL) – 2005 Tolls (File 4200-T002-12)

On 1 March 2005, TNPL applied for approval of final tolls for 2005 effective 1 January 2005. TNPL stated that its transportation revenue requirement for 2005 will increase to approximately \$60.2 million

as compared to the calculated transportation requirement of \$35.9 million in 2004. Average tolls for 2005 will decrease by 0.6 percent as compared to those approved for 2004.

On 9 March 2005, the Board approved an application dated 7 March 2005 to continue to charge the interim tolls which were approved by Order TOI-4-2005 until such time as final tolls for 2005 are approved.

On 17 March 2005, the Board sought comments of interested parties on the application. On 31 March 2005, Ultramar filed comments in which it indicated that the it remained of the view that the cost overrun associated with the capacity expansion and line reversal project (OH-1-2003 NEB Reasons for Decision) is unacceptable and that a more detailed examination of TNPI's application is necessary. TNPI and Ultramar agreed to meet on this subject in late May.

Appeal and Reviews

Appeal Pending

1. *Sumas Energy 2, Inc. (SE2) – Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia. On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

Reviews Pending

1. *Canadian Association of Petroleum Producers (CAPP) – Review of RH-2-2004, Phase I Reasons for Decision – TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)*

(Refer to item 1 under *Public Hearing Applications, Decision Pending* above.)

On 12 November 2004, CAPP applied for a review of the Board's RH-2-2004 Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. CAPP stated that the Board committed errors that raise doubt as to the correctness of its decision. The errors relate to the determinations made by the Board concerning:

- (a) approving tolls for Non-Renewable Firm Transportation Service (FT-NR) to be determined on a biddable basis;
- (b) allowing TCPL to include all forecast long-term incentive compensation costs in its 2004 cost of service; and,
- (c) allowing TCPL to recover through tolls certain regulatory and legal costs relating to review and appeal proceedings.

On 11 February 2005, CAPP requested that the Board defer consideration of the ground for review relating to long-term incentive compensation, (b) above.

On 18 February, the Board decided with respect to allowing TCPL to recover through tolls certain regulatory and legal costs relating to review and appeal proceedings that CAPP had not raised a doubt as to the correctness of the RH-2-2004 Decision with respect to regulatory costs. With respect to FT-NR, the Board was of the view that CAPP had raised a doubt as to the correctness of the decision on the basis that the Board may have erred in approving a different toll for FT-NR than the cost-based toll charged for Firm Transportation with a step-down. Therefore, the Board decided to proceed to the second step of the review on this question.

After having consulted with interested parties on how to proceed with the second step of the review, the Board decided to hear oral arguments on the matter.

2. *Coral Energy Canada Inc. and Cogenerators Alliance (Applicants) – Review of RH-2-2004 Phase I Reasons for Decision – TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)*

On 11 January 2005, the Applicants applied for review and variance of the Board's RH-2-2004 Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. The Applicants asked for a review and variance of the Decision on the following issues:

- (a) the arrangements entered into by TCPL pursuant to the Waste Heat Agreements and the Compressor Operating Agreement; and,

- (b) TCPL's applied-for Operation, Maintenance and Administration costs for the 2004 test year.

The Applicants stated that the Board committed errors of law that make certain determinations in the Phase I Decision incorrect. Specifically the Board erred by:

- (a) adopting a decision-making procedure that inappropriately shifted the burden of proof onto intervenors, thereby compromising the Board's consideration of the evidence; and,
(b) breaching the legal duty of fairness by failing to provide adequate reasons for its decisions.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Cost Recovery Regulations – Electricity – Review (File 175-A000-72-2)*

The Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders.

As part of the review, the Board held an all-day workshop on 9 December 2004 in Calgary. The Board will hold a second workshop on 2 June 2005 in Montréal.

2. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it has completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

3. *Operations and Maintenance Activities on NEB-Regulated Facilities: Requirements and Guidance Notes*

On 11 April 2005, the Board released for public comment documents that detail proposed regulatory changes to clarify requirements for the operation and maintenance of NEB-regulated facilities.

The Board released a draft *Operations and Maintenance Requirements and Guidance Notes* as well as a new draft *Section 58 Streamlining Order*. Once in place, the regulatory changes will provide a clear and consistent approach to regulating operations and maintenance activities on NEB-regulated pipelines so that landowners, the public, regulated

companies, and the Board would have a common understanding of how these activities would be regulated in the future and which projects would require an application under Section 58 of the *National Energy Board Act* or would fall under the Section 58 Streamlining Order.

4. *Information to be Furnished by Applicants to Import Liquefied Natural Gas (LNG)*

On 19 April 2005, the Board sought comments from all potential applicants to import LNG on a draft document to supplement the requirements of the Board's *Filing Manual* of April 2004 and the *National Energy Board Act Part VI (Oil and Gas) Regulations* concerning imports of LNG.

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

5. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board, and the Department of Indian Affairs and Northern Development. These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (*i.e.* Northwest Territories, Nunavut, and offshore), including those governed under the Offshore Accord Acts.

The intent of the current project is to have goal oriented D&PR in force by approximately the end of 2006. The goal oriented D&PR project will build on

draft D&PR that were developed as part of a previous project in 2000; however, several circumstances combined to delay the previous project and prevent those draft D&PR from coming into force.

6. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item

4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

7. *The Canada Oil and Gas Geophysical Operations Regulations*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

New Federal Government Participant Role

In 2003, the Board launched the Federal Authority (FA) Initiative to facilitate improved coordination and working relationships with other federal departments involved in environmental assessments carried out within the Board's processes. The Board has used the results of the initiative to identify ways to improve coordination and communication with FAs and facilitate their involvement in Board processes. One improvement is the creation of a new Federal Government Participant (FGP) role for FAs within the Board's hearing process. The intention is to support all FAs in meeting their respective *Canadian Environmental Assessment Act* responsibilities, while protecting the integrity of the Board's process. The FGP role would work in tandem with the Federal Environmental Assessment Coordinator role to improve FA understanding of, and participation in, the Board's hearings.

In addition to the new FGP role, FAs will still have the letter of comment, oral statement (if provided for in the Hearing Order), and full intervention as participation options available to them.

Scheduled Energy Market Assessments (EMA) 2005-2006

1. *Outlook for Electricity Markets 2005-2006*

This EMA will provide an assessment of electricity markets in Canada with emphasis on the main drivers influencing current and near-term trends in generation, demand, pricing, capacity additions and trade. As a result of the assessment, the key issues facing the industry will be identified and discussed. The report is expected to be released in June 2005.

2. *Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential*

The NEB and the British Columbia Ministry of Energy and Mines will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in September 2005.

3. *Short-term outlook for Natural Gas and NGLs 2000-2006*

This EMA will examine supply, demand, inventories, prices, etc., of natural gas and natural gas liquids from 2000 and provide an outlook to 2006. The report is expected to be released in October 2005

4. *Short-term outlook for Canadian Crude Oil to 2006*

This EMA will present the Board's views on crude oil and petroleum product supply, prices and markets to 2006. The report is expected to be released in October 2005

5. *Short-term Canadian Natural Gas Deliverability, 2005-2007*

This EMA will examine the factors which affect Canadian natural gas supply in the short-term and present an outlook for deliverability through to the year 2007. Factors examined include trends in industry activity and the production characteristics of gas wells. The report is expected to be released in October 2005.

6. *Natural Gas for Power Generation: Issues and Implications*

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in December 2005.

7. *Renewable and Alternative Sources of Power*

This EMA will address alternative and renewable technologies. Interest in alternative and renewable technologies, such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible supplemental energy sources continue to grow in Canada. Demand reduction (or demand response) programs may also be considered an energy source. The report is expected to be released in February 2006.

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 – Fax: (403) 292-5503.

Applications – Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Submit a Document*.

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Westcoast Energy Inc.	File: 3400-W005-341 Order: XG-W005-12-2005	Application dated 21 December 2004; approved on 21 April 2005. Construct the Sikanni Re-injection Pipeline.	7 300 000
	File: 3400-W005-347 Order: XG-W005-13-2005	Application dated 22 March 2005; approved on 21 April 2005. Pipeline replacement project in the city of Fort St. John, British Columbia.	666 000

Appendix II

Other Filings

Company	Date	Filing
Montreal Pipe Line Limited	25 March, Received on 4 April	Files 3402-M003-2-2004 and 4710-M003 – Audited Financial Statements for the year 2004 and the list of projects under Streamlining Order XG/XO-100-2002.
Souris Valley Pipeline Limited	5 April	File 3400-S161-3 – Construct a new meter station and associated interconnecting piping approximately four kilometres northeast of Goodwater, Saskatchewan.
ProGas Limited	5 April	Files 7200-P038-3-1 and 7200-P038-4-1 – Amendments to the gas export sales contracts with Ocean States Power I and II underpinning exports under licences GL-101 and GL-109.
USGen New England, Inc.	6 April	File 6200-U063-1 – Application to revoke Electricity Export Permits EPE-230 and EPE-231.
Maritimes & Northeast Pipeline Limited	7 April	File 3400-M124-17 – Construct a custody transfer station facility to provide natural gas service to Heritage Gas Limited, the local distribution franchise for the Town of Amherst, Nova Scotia and surrounding area.
Tractebel Energy Marketing, Inc.	14 April	File 6200-T085-1 – Notification of name change to Suez Energy Marketing NA, Inc. in Electricity Export Permits EPE-86 and EPE-87.
ISH Energy Ltd.	14 April	File 3402-J038-2-2004 – 2004 Annual Report of projects undertaken under Streamlining Order XG/XO-100-2002.
806026 Alberta Ltd.	15 April	File 3400-Z007-4 – Application for leave to open the Pesh Creek Pipeline Loop approved by Board Order XG-Z007-04-2005.
Provident Energy Ltd. and Penn West Petroleum Ltd.	18 April	Files 3400-P115-1 and 3400-P166-5 – Joint application for Provident to sell and Penn West to purchase a 2.35 kilometre pipeline which runs from Alberta to Saskatchewan. The pipeline was originally constructed by Olympia Energy Inc. in 1995.
Westcoast Energy Inc.	20 April	File 3400-W005-349 – Replace 760 metres of the Fort Nelson Mainline between km 49.8 and km 50.6 with a surface pipeline.

Appendix II

Other Filings (continued)

Plains Marketing Canada, L.P.	20 April	File 4775-P102-1-1 – Wascana Pipeline Petroleum Toll Schedule – Tariff No. 7.5 effective 1 May 2005.
TransCanada PipeLines Limited	21 April	File 3402-T001-2-2004 – Report on expenditures during 2004 under Streamlining Order XG/XO-100-2002.
TransCanada PipeLines Limited BC System	21 April	File 3402-T054-2-2004 – Report on expenditures during 2004 under Streamlining Order XG/XO-100-2002.
Foothills Pipe Lines Ltd.	21 April	File 3402-F006-2-2004 – Report on expenditures during 2004 under Streamlining Order XG/XO-100-2002.
Niagara Gas Transmission Limited	25 April	File 4710-N006 – Financial Statements for the years ended 30 September 2002, 2003, and 2004.
Enbridge Pipelines Inc.	25 April	File 3400-E101-70 – Application for construction pursuant to Section 58 for the Year 2005.
Enbridge Pipelines Inc.	25 April	File 3402-E101-3-9 – Notification pursuant to Streamlining Order XG/XO-100-2002 for construction of facilities to connect the Husky Terminal to Lines 2 and 3 at the Hardisty Terminal.
Westcoast Energy Inc.	27 April	File 4775-W005-1-1 – Framework for Light-handed Regulation: Amendment of Toll Schedules effective 1 May 2005.
Enbridge Pipelines (Westspur) Inc.	26 April	File 4710-N006 – Audited Financial Statements and Audited Cost of Service for the year ended 31 December 2004.
Vector Pipeline Limited Partnership	29 April	File 4710-V016-2004 – Audited Financial Statements for the years ended 31 December 2003 and 2004.
Westcoast Energy Inc.	29 April	File 3400-W005-350 – Application to increase the maximum operating pressure on the Red Willow Pipeline in northern British Columbia and to provide a new tap connection from the Red Willow Pipeline into the Grizzly Extension Pipeline.
Trans-Northern Pipelines Inc.	29 April	File 3400-T002-71 – Pipeline replacement in the City of Quinte West, Ontario.
Trans-Northern Pipelines Inc.	29 April	File 3400-T002-70 – Pipeline replacement in the Township of Augusta, Ontario.
Plains Marketing Canada, L.P.	30 April	File 4710-P102 – Audited Statements of Operation for the Bodo, Milk River, Wapella and Wascana pipelines for the year ended 31 December 2004.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this Regulatory Agenda is the month of May 2005

Outlook for Electricity Markets 2005-2006

The Board issued an Energy Market Assessment (EMA) entitled *Outlook for Electricity Markets 2005-2006*. The EMA provides an analysis and discussion of Canadian electricity markets emphasizing the main drivers influencing near-term trend in generation, demand, infrastructure additions, inter-regional and

international trade and pricing. The report also includes an update of the industry restructuring activities in Canada, focusing on the short-term, and identifies and discusses current issues that may have longer term effects.

Public Hearing Applications

Decisions Pending

1. *Canadian Association of Petroleum Producers (CAPP) – Review of RH-2-2004 Phase I Reasons for Decision – TransCanada PipeLines Limited's (TCPL) 2004 Tolls – RH-R-1-2005 (File 4200-T001-19-R)*

The Board heard oral arguments on 26 April 2005 in Calgary on an application from CAPP for a review of the Board's RH-2-2004 Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. The Board heard arguments on the following:

- i) whether the Board's decision regarding the tolling of Non-Renewable Firm Transportation Service (FT-NR) should be confirmed, amended or overturned; and
- ii) if the decision should be amended or overturned, how FT-NR should be tolled.

On 18 February 2005, the Board informed parties that it was of the view that CAPP had raised a doubt as to the correctness of the decision on the basis that the Board may have erred in approving a different toll for FT-NR than the cost-based toll charged for Firm Transportation with a step-down. Therefore, the Board decided on 18 March 2005 to hear oral arguments as the second step of the review process on the FT-NR question.

2. *New Brunswick Power Transmission Corporation (NB Power) – International Power Line (IPL) – Detailed Route Hearing – MH-1-2005 (File 2200-N102-1-2)*

The Board held a public hearing on 9 May 2005 in St. Stephen, New Brunswick in response to oppositions concerning portions of the proposed detailed route of the NB Power IPL. The objections were filed by landowners on the power line route from Lepreau to St. Stephen.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety, Security,
Environmental Protection and
Economic Efficiency"**

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The Board issued a certificate to NB Power in the fall of 2003 approving the construction and operation of the 95.5 kilometre, 345 kilovolts IPL from the existing transmission terminal at the Point Lepreau Generating Station to a point on the Maine-New Brunswick border west of St. Stephen. A public hearing was held in Saint John in March 2003.

Hearings Scheduled

1. *Chevron Canada Limited (Chevron Canada) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) – Priority Destination – MH-2-2005 (Files 4755-T099-3 and 4755-T099-4)*

The Board will hold a public hearing commencing on 12 September 2005 in Calgary on two applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system. The first application is for delivery of crude oil by Chevron Canada, and the second application is for delivery of isooctane by Chevron/Neste.

Chevron Canada is requesting a priority designation for the unapportioned delivery from Edmonton to Burnaby of up to 5 500 cubic metres per day of crude oil during periods that nominations would otherwise be apportioned. Chevron/Neste are requesting priority designation of unapportioned delivery from Edmonton to Burnaby of up to 2 400 cubic metres per day of

isooctane during periods that nominations would otherwise be apportioned.

2. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties – Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited, Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited, ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited. The Board will announce at a later time the dates and locations of its public hearing.

The Mackenzie Gas Project includes a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station.

Non-Public Hearing Applications

Electricity matters

Matter Completed

1. *Calpine Energy Services Canada Ltd. (Calpine) – Electricity Export (File 6200-C191-1)*

On 20 May 2005, the Board approved an application dated 5 April 2005 from Calpine for permits to export up to 250 megawatts and up to 2160 gigawatt hours of combined firm and interruptible power and energy, respectively, per year for a period of 10 years.

Matters under Consideration

2. *Lighthouse Energy Trading Co., Inc. (Lighthouse) – Electricity Export (File 6200-L032-2)*

On 5 April 2005, Lighthouse applied for permits to export, per year for a period of 10 years, up to: 300 megawatts of firm power; 500 megawatts of combined firm and interruptible power; 2 628 000 megawatt hours of firm energy, and; 1 752 000 megawatt hours of interruptible energy.

3. *Manitoba Hydro – Electricity Export* (File 6200-M020-16)

On 1 April 2005, Manitoba Hydro applied for a permit to export up to 20 kilowatts of firm power and 60 000 kilowatt hours of firm energy per year for a period five years as a border accommodation transfer to Roseau Electric Cooperative in Minnesota.

4. *Manitoba Hydro – Electricity Export* (File 6200-M020-17)

On 7 April 2005, Manitoba Hydro applied for permits to export up to 3250 megawatts of firm and/or interruptible power and up to 25 434 gigawatt hours of firm and/or interruptible energy per year for a period of five years. The application, in part, represents a renewal of existing export permits EPE-45 and EPE-46 which expire on 31 October 2005.

5. *Saracen Merchant Energy LP (Saracen) – Electricity Export* (File 6200-S182-1)

On 10 May 2005, Saracen applied for permits to export up to 600 megawatts and 2 700 000 megawatt hours of combined firm and interruptible power and energy, respectively, per year for a period of 10 years.

6. *TransCanada Energy Ltd. (TransCanada) – Electricity Export* (File 6200-T094-1)

On 14 April 2005, TransCanada applied for permits to export up to 350 megawatts of short term firm power and 3000 gigawatt hours of interruptible energy per year for a period of 10 years. The application represents a renewal of existing export permits EPE-78 and EPE-79 which expire on 15 November 2005.

Frontier Matters

Matters Completed

1. *Anadarko Canada Energy Co. (Anadarko) – Application dated 9 April 2003 for a Significant Discovery Declaration in the Arrowhead Area, Slave Point.*

In April 2005, the Board issued two declarations of “Significant Discovery” to Anadarko pursuant to Part II.1, subsection 28.2(4) of the *National Energy Board Act* and to Part III, subsection 28(1) of the *Canada Petroleum Resources Act* with respect to those frontier lands in the Arrowhead area of the N.W.T. comprising grid areas:

Latitude	Longitude	Sections
60° 40' N	122° 45' W	27, 28, 37, 38, 39, 48, 49, 54, 55, 64, 65, 66, 75, 76

2. *Anadarko Canada Energy Co. (Anadarko) – Application dated 9 April 2003 for a Significant Discovery Declaration in the Arrowhead Area, Landry.*

In April 2005, the Board issued three declarations of “Significant Discovery” to Anadarko pursuant to Part II.1, subsection 28.2(4) of the *National Energy Board Act* and to Part III, subsection 28(1) of the *Canada Petroleum Resources Act* with respect to those frontier lands in the Arrowhead area of the N.W.T. comprising grid areas:

Latitude	Longitude	Sections
60° 40' N	122° 45' W	45, 46, 55, 56, 57, 64, 65, 66, 67, 73, 75, 76
60° 40' N	123° 00' W	1, 2, 3, 12, 13

3. *Chevron Canada Resources – Well Termination Record*

On 31 May 2005, Chevron received approval, pursuant to the *Canada Oil and Gas Drilling Regulations*, of the *Well Termination Records* for the wells Olivier H-01, 2H-01 and 3H-01.

Gas Matters

Matters Approved

1. *ProGas Limited (ProGas) – Gas Sales Contracts Amendments* (Files 7200-P038-3-1 and 7200-P038-4-1)

On 6 May 2005, the Board approved an application from ProGas for approval of amendments to the gas sales contracts with Ocean State Power I and Ocean State Power II underpinning natural gas exports under Licences GL-101 and GL-109. Ocean State Power I and II are combined cycle electric generating facilities located in Burrillville, Rhode Island. Under the Licences, ProGas is authorized to export up to 1.4 million cubic metres of natural gas per day to Ocean State Power I and up to 708 000 cubic metres of natural gas per day to Ocean State Power II.

2. *Imperial Oil Resources Limited (Imperial) and Selkirk Cogen Partners, L.P. (Selkirk) – Contract Amendments (File 7200-S157-2-2a)*

On 26 May 2005, the Board approved a joint application dated 27 April 2005 from Imperial and Selkirk to amend a Gas Sales Contract underpinning natural gas exports under Licence GL-193. Under Licence GL-93, Imperial is authorized to export to Selkirk approximately 538 200 cubic metres of natural gas per day at Iroquois, Ontario. Selkirk owns a cogeneration facility in Selkirk, New York.

Matter Pending

3. *EnCana Corporation (EnCana) – Replacement of a Gas Sale Agreement – Licences GL-284 and GL-285 (Files 7200-E112-1-1 and 7200-E112-1-2)*

On 23 December 2004, EnCana applied for approval of a gas sale agreement entitled the *Cross-Border Commodity Purchase & Sale Agreement* that would replace the original gas sale agreement dated 1 January 1994 underpinning natural gas export Licences GL-284 and GL-285. Under Licences GL-284 and GL-285, EnCana is authorized to export approximately 1.6 billion cubic metres of natural gas and 1.0 billion cubic metres of natural gas, respectively, in any consecutive 12-month period ending 31 October. On 3 February 2005, the Board sent a letter to EnCana requesting additional information.

Pipeline Matters

Matters Completed

1. *EnCana Cypress Pipeline Ltd. (Encana) and Prairie Schooner Limited Partnership (Prairie) – Application for the Sale and Purchase of the Cypress Pipeline (Files 3400-E137-1 and 3400-P181-1)*

On 24 May 2005, the Board approved a joint application dated 21 April 2005 from EnCana and Prairie for leave for EnCana to sell and Prairie to purchase the Cypress Pipeline. The Cypress Pipeline is a 6.2 kilometre pipeline that runs from Alberta to Saskatchewan. The pipeline was originally constructed by AEC Suffield Gas Pipeline Inc. in 1999.

2. *Section 58 Applications*

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matters Pending

3. *ConocoPhillips Canada Limited (ConocoPhillips) and Duke Energy Empress Management Inc., as General Partner and agent of Duke Energy Empress L.P. (Duke) – (Files 3200-C216-1 and 3200-D073-1)*

On 22 April 2005, Conoco Phillips and Duke, in a joint application, applied for leave for ConocoPhillips to sell and Duke to purchase certain pipeline facilities. The pipeline is approximately 930 kilometres and runs from near Empress, Alberta to near Winnipeg, Manitoba. The pipeline facilities were constructed in 1963.

4. *TransCanada PipeLines Limited (TCPL) – Les Cèdres Loop (File 3400-T001-238)*

On 28 February 2005, TCPL applied for approval to construct 21.3 kilometres of pipeline loop from mainline valve 147A in the Municipality of Saint-Télesphore, Quebec to mainline valve 148 in the Municipality of Les Cèdres, Quebec (Les Cèdres Loop). The proposed Les Cèdres Loop, together with the capacity provided by the existing mainline facilities, will be needed to enable TCPL to transport the natural gas required for a new gas-fired cogeneration plant being constructed at Bécancour, Quebec. The estimated cost of the project is \$44.1 million and the proposed in service date is 1 November 2006.

Traffic, Tolls and Tariffs Matters

Matters Completed

1 *TransCanada PipeLines Limited (TCPL) – Resolutions of the 2005 Toll Task Force (File 4775-T001-1-13a)*

On 27, 30 and 31 May 2005, the Board approved the resolutions described below.

Resolution No.	Subject
09.2005	Procedure for Adding new Receipt and Delivery Points – Tariff Additions. Purpose – to describe: (a) the information TransCanada requires; (b) the considerations for adding a Receipt and/or Delivery Point; and (c) the expected timeframe required to evaluate and respond to a request for a Receipt and/or Delivery Point.
10.2005	Elimination of Foreign Exchange Exposure on U.S. Senior Debt. Purpose – desire to reduce the Mainline's exposure to foreign exchange risk and to do so with little or no impact to tolls.
11.2005	Amendments to the Transportation Access Procedures of the Mainline Tariff. Purpose – to implement minor corrections or changes and to amend other more substantive items and include new provisions.

Matters Pending

2. *TransCanada Pipelines Limited, BC System (TCPL) – Final Tolls for 2004* (File 3400-T054-2004-1)

On 27 October 2004, TCPL requested that the Board order that the 2004 interim rates authorized by Order TGI-10-2003 for the BC System are final tolls.

On 22 November 2004, the Board informed TCPL that it had decided to postpone its decision on the application pending the disposition of the Canadian Association of Petroleum Producers' application for review of the Board's RH-2-2004

Phase I Decision (see item 1 under *Public Hearing Applications, Decisions Pending* above and item 2 under *Appeals and Review, Review Pending* below).

3. *Trans-Northern Pipelines Inc. (TNPL) – 2005 Tolls* (File 4200-T002-12)

On 1 March 2005, TNPI applied for approval of final tolls for 2005 effective 1 January 2005. TNPI stated that its transportation revenue requirement for 2005 will increase to approximately \$60.2 million as compared to the calculated transportation requirement of \$35.9 million in 2004. Average tolls for 2005 will decrease by 0.6 percent as compared to those approved for 2004.

On 9 March 2005, the Board approved an application dated 7 March 2005 to continue to charge the interim tolls which were approved by Order TOI-4-2005 until such time as final tolls for 2005 are approved.

On 17 March 2005, the Board sought comments of interested parties on the application. On 31 March 2005, Ultramar filed comments in which it indicated that the it remained of the view that the cost overrun associated with the capacity expansion and line reversal project (OH-1-2003 Reasons for Decision) is unacceptable and that a more detailed examination of TNPI's application is necessary. TNPI and Ultramar agreed to meet on this subject in late May.

Appeals and Reviews

Appeals Pending

1. *Sumas Energy 2, Inc. (SE2) – Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia. On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

2. *Flint Hill Resources – Application for Leave to Appeal – RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications

from Enbridge Pipelines Inc. to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Flint Hill Resources also filed a Notice of Motion with the Court seeking an extension of time, until 30 days following the release of the Board's Reasons for Decision in RH-1-2005, to seek leave to appeal on any additional grounds. In April, the Board had decided to release the Decisions in advance of the Reasons for Decision in response to requests received from several parties during the public hearing held to consider the two applications. The Board expects to release the Reasons for Decision in early June 2005.

Review Completed

1. *Coral Energy Canada Inc. and Cogenerators Alliance (Applicants) – Review of RH-2-2004, Phase I Reasons for Decision – TransCanada PipeLines Limited's (TCPL) 2004 Tolls – RH-R-2-2005 (File 4200-T001-19-R)*

On 6 May 2005, the Board dismissed an application dated 11 January 2005 from the Applicants for review and variance of the Board's RH-2-2004, Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. The Board found that no doubt as to the correctness of the Board's Decision in RH-2-2004, Phase I had been raised.

The Applicants had asked for a review and variance of the Decision on the following issues:

- (a) the arrangements entered into by TCPL pursuant to the Waste Heat Agreements and the Compressor Operating Agreement; and,
- (b) TCPL's applied-for Operation, Maintenance and Administration costs for the 2004 test year.

Review Pending

2. *Canadian Association of Petroleum Producers (CAPP) – Review of RH-2-2004 Phase I Reasons for Decision – TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)*

(Refer to item 1 under *Public Hearing Applications, Decisions Pending* above.)

On 12 November 2004, CAPP applied for a review of the Board's RH-2-2004 Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. CAPP stated that the Board committed errors that

raise doubt as to the correctness of its decision. The errors relate to the determinations made by the Board concerning:

- (a) approving tolls for Non-Renewable Firm Transportation Service (FT-NR) to be determined on a biddable basis;
- (b) allowing TCPL to include all forecast long-term incentive compensation costs in its 2004 cost of service; and,
- (c) allowing TCPL to recover through tolls certain regulatory and legal costs relating to review and appeal proceedings.

On 11 February 2005, CAPP requested that the Board defer consideration of the ground for review relating to long-term incentive compensation, (b) above.

On 18 February 2005, the Board decided, with respect to allowing TCPL to recover through tolls certain regulatory and legal costs relating to review and appeal proceedings, that CAPP had not raised a doubt as to the correctness of the RH-4-2001 Decision with respect to regulatory costs. With respect to FT-NR, the Board was of the view that CAPP had raised a doubt as to the correctness of the decision on the basis that the Board may have erred in approving a different toll for FT-NR than the cost-based toll charged for Firm Transportation with a step-down. Therefore, the Board decided to proceed to the second step of review on this question.

After having consulted with interested parties on how to proceed with the second step of the review, the Board decided to hear oral arguments on the matter.

Amendments to Regulations

Regulatory Initiatives Pursuant to the National Energy Board Act

1. *Cost Recovery Regulations – Electricity – Review (File 175-A000-72-2)*

The Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders.

As part of the review, the Board held an all-day workshop on 9 December 2004 in Calgary. The Board will hold a second workshop on 2 June 2005 in Montréal.

2. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it has completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

3. *Operations and Maintenance Activities on NEB-Regulated Facilities: Requirements and Guidance Notes*

On 11 April 2005, the Board released for public comment documents that detail proposed regulatory changes to clarify requirements for the operation and maintenance of NEB-regulated facilities.

The Board released a draft *Operations and Maintenance Requirements and Guidance Notes* as well as a new draft *Section 58 Streamlining Order*. Once in place, the regulatory changes will provide a clear and consistent approach to regulating operations and maintenance activities on NEB-regulated pipelines so that landowners, the public, regulated companies, and the Board would have a common understanding of how these activities would be regulated in the future and which projects would require an application under Section 58 of the *National Energy Board Act* or would fall under the *Section 58 Streamlining Order*.

4. *Information to be Furnished by Applicants to Import Liquefied Natural Gas (LNG)*

On 19 April 2005, the Board sought comments from all potential applicants to import LNG on a draft document to supplement the requirements of the Board's *Filing Manual* of April 2004 and the *National Energy Board Act Part VI (Oil and Gas) Regulations* concerning imports of LNG.

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

5. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board, and the Department of Indian Affairs and Northern Development. These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (*i.e.* Northwest Territories, Nunavut and offshore), including those governed under the Offshore Accord Acts.

The intent of the current project is to have goal-oriented D&PR in force by approximately the end of 2006. The goal-oriented D&PR project will build on draft D&PR that were developed as part of a previous project in 2000; however, several circumstances combined to delay the previous project and prevent those draft D&PR from coming into force.

6. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

7. *The Canada Oil and Gas Geophysical Operations Regulations*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Appointments

Dr. John S. Bulger has been re-appointed as a full-time member of the Board for a further term of three years. Dr. Bulger has been a permanent member of the Board since 1998.

Jim Donihee, the Board's Chief Operating Officer, and Judith Hanebury, Q.C., the Board's General Counsel, have been appointed as temporary members of the Board for a term of two years. The appointments of Mr. Donihee and Ms. Hanebury will provide the Board with flexibility to respond to peaks in the public hearing workload. They will continue in their substantive roles as Chief Operating Officer and General Counsel until such time as their services may be required on a public hearing.

Scheduled Energy Market Assessments (EMA) 2005-2006

1. *Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential*

The NEB and the British Columbia Ministry of Energy and Mines will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in September 2005.

2. *Short-term outlook for Natural Gas and NGLs 2000-2006*

This EMA will examine supply, demand, inventories, prices, etc., of natural gas and natural gas liquids from 2000 and provide an outlook to 2006. The report is expected to be released in October 2005.

3. *Short-term outlook for Canadian Crude Oil to 2006*

This EMA will present the Board's views on crude oil and petroleum product supply, prices and markets to 2006. The report is expected to be released in October 2005.

4. *Short-term Canadian Natural Gas Deliverability, 2005-2007*

This EMA will examine the factors which affect Canadian natural gas supply in the short-term and present an outlook for deliverability through to the year 2007. Factors examined include trends in industry activity and the production characteristics of gas wells. The report is expected to be released in October 2005.

5. *Natural Gas for Power Generation: Issues and Implications*

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in December 2005.

6. *Renewable and Alternative Sources of Power*

This EMA will address alternative and renewable technologies. Interest in alternative and renewable technologies, such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible supplemental energy sources continue to grow in Canada. Demand reduction (or demand response) programs may also be considered an energy source. The report is expected to be released in February 2006.

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 – Fax: (403) 292-5503.

Applications – Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Submit a Document*.

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
Westcoast Energy Inc.	File: 3400-W005-348 Order: XG-W005-14-2005	Application dated 24 March 2005; approved on 18 May 2005. Replace a storage tank at the Fort Nelson Gas Plant in B.C.	323 000
TransCanada PipeLines Limited	File: 3400-T001-239 Order: XG-T001-15-2005	Application dated 2 March 2005; approved on 24 May 2005. Contaminant Sampling and Remediation Program at Station 130.	556 000
Maritimes & Northeast Pipeline Management Ltd.	File : 3400-M124-17 Order : XG-M124-16-2005	Application dated 7 April 2005; approved on 31 May 2005. Construct a custody transfer station facility to provide natural gas service to Heritage Gas Limited, the local distribution franchise for the Town of Amherst, Nova Scotia and surrounding area.	786 000

Appendix II

Other Filings

Company	Date	Filing
Express Pipeline Limited Partnership	2 May	File 4710-E092 – Audited financial statements for the years ended 31 December 2003 and 2004.
Terasen Pipelines (Trans Mountain) Inc.	4 May	Files 4200-T099-5 and 4775-T099 – Petroleum Tariff No. 56 and Refined Petroleum Tariff No. RP24 incorporating the final tolls approved by the Board in Order TO-03-2005.
Westcoast Energy Inc.	5 May	File 3400-W005-351 – Revised application to upgrade the sulphur pipeline access road at the Pine River Gas Plant.
TransCanada PipeLines Limited	6 May	File 3400-T001-240 – Application for 2005 Cathodic Protection Program (No. 2) – Ontario.
TransCanada PipeLines Limited	6 May	File 3400-T001-241 – Application for 2005 Cathodic Protection Program (No. 3) – Ontario.
Engage Energy US, LP	9 May	File 6200-E031-1 – Application to revoke electricity export permits EPE-151 and EPE-152.
Trans Quebec & Maritimes Pipeline Inc.	10 May	File 4750-T028-2005-1 – Quarterly Surveillance Report for the period ended 31 March 2005.
Westcoast Energy Inc.	12 May	File 4750-W005-2005-1 – Quarterly Surveillance Report – Transmission Division for the period ended 31 March 2005.
TransCanada PipeLines Limited	13 May	File 4750-T001-2005-1 – Quarterly Surveillance Report for the period ended 31 March 2005.

Appendix II

Other Filings (continued)

TransCanada PipeLines Limited BC System	13 May	File 4750-T054-2005-1 – Quarterly Surveillance Report for the period ended 31 March 2005.
TransCanada PipeLines Limited	19 May	File 3400-T001-243 – 2005 Cathodic Protection Program (No. 4) – Ontario.
Aurora Pipeline Company Ltd.	25 May	File 4710-A017 – Financial Statements for the year ended 31 December 2004.
Trans Quebec & Maritimes Pipeline Inc.	26 May	File 3402-T028-2-2004 – 2004 Annual Report of expenditures under Streamlining Order XG/XO-100-2002.
Manitoba Hydro	27 May	File 3400-M020-1 – Replacement of a portion of the Minnell Pipeline that became exposed across Silver Creek in Binscarth, Manitoba.
Trans-Northern Pipelines Inc.	27 May	File 3400-T002-12 – Replace a pipeline at highway 115/35 in the Municipality of Clarington, Ontario.
TransCanada PipeLines Limited	30 May	File 4200-T001-19-2 – Approval of Final Toll Schedules for the period of 1 January to 31 December 2004.
TransCanada PipeLines Limited	30 May	Files 4200-T001-20-1 and 4775-T001-1-2005 – Approval of final tolls for the 2005 test year, effective 1 July 2005.
Plains Marketing Canada L.P.	30 May	File 4775-P102-1-1 – Wascana Pipeline System – Tariff No. 7.6 effective 1 June 2005.
Montreal Pipe Line Limited	31 May	File 4775-M003-1-1 – Tariffs 115, 116 and 117 effective 1 July 2005.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of June 2005

Public Hearing Applications

Decisions Rendered

1. *Enbridge Pipelines Inc. (Enbridge) - Spearhead Pipeline and a Reversal Pipeline Project - RH-1-2005 (File 4200-E101-6)*

On 9 June 2005, the Board issued its Reasons for Decision regarding two applications from Enbridge to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company (Mobil) to reverse the flow of its pipeline which runs from the Patoka Station, Marion County, Illinois to the Corsicana Station, Navarro County, Texas.

On 28 April 2005, the Board approved both of Enbridge's applications. At that time, the Board decided to release the Decision in advance of the Reasons for Decision in response to requests received from several parties during the public hearing held from 7 to 12 April 2005 to consider the two applications.

2. *New Brunswick Power Transmission Corporation (NB Power) - International Power Line (IPL) - Detailed Route Hearing - MH-1-2005 (File 2200-N102-1-2)*

On 23 June 2005, the Board released its Reasons for Decision on two objections to the proposed route of NB Power's IPL from Point Lepreau to St. Stephen, New Brunswick. In both cases, the Board denied the objections of landowners who had opposed the route and decided that NB Power's route is the best possible route for the international power line.

The Board issued a certificate to NB Power in the fall of 2003 approving the construction and operation of the 95.5 kilometre, 345 kilovolts IPL from the existing transmission terminal at the Point Lepreau Generating Station to a point on the Maine-New Brunswick border west of St. Stephen. A public hearing was held in Saint John in March 2003.

The Board held hearings on the objections in St. Stephen on 9 May 2005.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety, Security,
Environmental Protection and
Economic Efficiency"**

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Decision Pending

1. Canadian Association of Petroleum Producers (CAPP) - Review of RH-2-2004 Phase I Reasons for Decision - TransCanada PipeLines Limited's (TCPL) 2004 Tolls - RH-R-1-2005 (File 4200-T001-19-R)

The Board heard oral arguments on 26 April 2005 in Calgary on an application from CAPP for a review of the Board's RH-2-2004 Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. The Board heard arguments on the following:

- i) whether the Board's decision regarding the tolling of Non-Renewable Firm Transportation Service (FT-NR) should be confirmed, amended or overturned; and
- ii) if the decision should be amended or overturned, how FT-NR should be tolled.

On 18 February 2005, the Board informed parties that it was of the view that CAPP had raised a doubt as to the correctness of the decision on the basis that the Board may have erred in approving a different toll for FT-NR than the cost-based toll charged for Firm Transportation with a step-down. Therefore, the Board decided on 18 March 2005 to hear oral arguments as the second step of the review process on the FT-NR question.

Hearings Scheduled

1. Chevron Canada Limited (Chevron Canada) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) - Priority Destination - MH-2-2005 (Files 4755-T099-3 and 4755-T099-4)

The Board will hold a public hearing commencing on 12 September 2005 in Calgary on two applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system.

The first application is for delivery of crude oil by Chevron Canada, and the second application is for delivery of isooctane by Chevron/Neste.

Chevron Canada is requesting a priority designation for the unapportioned delivery from Edmonton to Burnaby of up to 5 500 cubic metres per day of crude oil during periods that nominations would otherwise be apportioned. Chevron/Neste are requesting priority designation of unapportioned delivery from Edmonton to Burnaby of up to 2 400 cubic metres per day of isooctane during periods that nominations would otherwise be apportioned.

2. Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties - Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited, Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited, ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited. The Board will announce at a later time the dates and locations of its public hearing.

The Mackenzie Gas Project includes a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station.

Non-Public Hearing Applications

Electricity Matters

Matters Completed

**1. Manitoba Hydro - Electricity Export
(File 6200-M020-16)**

On 6 June 2005, the Board approved an application dated 1 April 2005 from Manitoba Hydro for a permit to export up to 20 kilowatts of firm power and 60 000 kilowatt hours of firm energy per year for a period five years as a border accommodation transfer to Roseau Electric Cooperative in Minnesota.

**2. TransCanada Energy Ltd. (TransCanada) -
Electricity Export (File 6200-T094-1)**

On 17 June 2005, the Board approved an application dated 14 April 2005 from TransCanada for permits to export up to 350 megawatts and 3000 gigawatt hours of firm power and energy, respectively, and 3000 gigawatt hours of interruptible energy per year for a period of 10 years.

Matters under Consideration

**3. ENMAX Energy Marketing Inc.
(ENMAX) - Electricity Export (File 6200-E139-2)**

On 15 June 2005, ENMAX applied for permits to export up to 400 megawatts of firm power and up to 1000 megawatts of interruptible power and up to 3504 gigawatt hours per year of firm energy and up to 8760 gigawatt hours per year of interruptible energy for a period of 10 years.

**4. Lighthouse Energy Trading Co., Inc.
(Lighthouse) - Electricity Export
(File 6200-L032-2)**

On 5 April 2005, Lighthouse applied for permits to export, per year for a period of 10 years, up to: 300 megawatts of firm power; 500 megawatts of combined firm and interruptible power; 2 628 000 megawatt hours of firm energy, and; 1 752 000 megawatt hours of interruptible energy.

**5. Manitoba Hydro - Electricity Export
(File 6200-M020-17)**

On 7 April 2005, Manitoba Hydro applied for permits to export up to 3250 megawatts of firm and/or interruptible power and up to

25 434 gigawatt hours of firm and/or interruptible energy per year for a period of five years. The application, in part, represents a renewal of existing Export Permits EPE-45 and EPE-46 which expire on 31 October 2005.

**6. Saracen Merchant Energy LP (Saracen) -
Electricity Export (File 6200-S182-1)**

On 10 May 2005, Saracen applied for permits to export up to 600 megawatts and 2 700 000 megawatt-hours of combined firm and interruptible power and energy, respectively, per year for a period of 10 years.

Frontier Matters

**1. Paramount Resources Ltd. - Well Termination
Record**

On 14 June 2005, Paramount received approval, pursuant to the *Canada Oil and Gas Drilling Regulations*, of the Well Termination Record for the well Cameron 2F-73.

Safety

**1. Safety Advisory NEB SA 2005-02 - Shallow Gas
Deposits**

In June 2005, the Board issued a Safety Advisory regarding areas that may contain biogenic gas deposits within the western half of the Northwest Territories, in particularly in the Mackenzie Delta. During recent geophysical and geotechnical operations, substantial shallow gas deposits and subsequent gas flows have been encountered while drilling shot hole and bore holes.

Gas Matter

Matter Pending

**1. EnCana Corporation (EnCana) - Replacement
of a Gas Sale Agreement - Licences GL-284 and
GL-285 (Files 7200-E112-1-1
and 7200-E112-1-2)**

On 23 December 2004, EnCana applied for approval of a gas sale agreement entitled the Cross-Border Commodity Purchase & Sale Agreement that would replace the original gas sale agreement dated 1 January 1994 underpinning natural gas export Licences GL-284 and GL-285.

Under Licences GL-284 and GL-285, EnCana is authorized to export approximately 1.6 billion cubic metres and 1.0 billion cubic metres, respectively, in any consecutive 12-month period ending 31 October. On 3 February 2005, the Board sent a letter to EnCana requesting additional information.

Pipeline Matters

Matters Completed

1. *ConocoPhillips Canada Limited (ConocoPhillips) and Duke Energy Empress Management Inc., as General Partner and agent of Duke Energy Empress L.P. (Duke) - (Files 3200-C216-1 and 3200-D073-1)*

On 10 June 2005, the Board approved a joint application dated 22 April 2005 from ConocoPhillips and Duke for leave for ConocoPhillips to sell and Duke to purchase certain pipeline facilities. The pipeline is approximately 930 kilometres and runs from near Empress, Alberta to near Winnipeg, Manitoba. The pipeline facilities were constructed in 1963.

2. Section 58 Applications

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matter Pending

3. *TransCanada PipeLines Limited (TCPL) - Les Cèdres Loop (File 3400-T001-238)*

On 28 February 2005, TCPL applied for approval to construct 21.3 kilometres of pipeline loop from mainline valve 147A in the Municipality of Saint-Télesphore, Quebec to mainline valve 148 in the Municipality of Les Cèdres, Quebec (Les Cèdres Loop). The proposed Les Cèdres Loop, together with the capacity provided by the existing mainline facilities, will be needed to enable TCPL to transport the natural gas required for a new gas-fired cogeneration plant being constructed at Bécancour, Quebec. The estimated cost of the project is \$44.1 million and the proposed in service date is 1 November 2006.

Traffic, Tolls and Tariff Matters

Matters Completed

1. *TransCanada PipeLines Limited (TCPL) - Resolutions of the 2005 Toll Task Force (Files 4200-T001-20-1, 4775-T001-1-17 and 4775-T001-1-2005)*

On 20 June 2005, the Board approved the resolutions described below.

Resolution No.	Subject
12.2005	To adjust for the difference between interim and final tolls in 2005, rather than in 2006.
13.2005	To change the forecast 2005 Total Miscellaneous Revenue.
15.2005	Temporary amendments to the Short Term Firm Transportation (STFT) Toll Schedule of the Mainline Tariff. Purpose - to allow STFT bids, for service commencing on or after 1 July 2005, that are submitted before 1 July 2005 to be based on the NEB approved final 2005 tolls that are proposed to change effective 1 July 2005.

Matters Pending

2. *TransCanada PipeLines Limited (TCPL) - Resolution of the 2005 Toll Task Force (File 4200-T001-19-1)*

On 15 June 2005, TCPL applied for approval of the resolution described below.

Resolution No.	Subject
14.2005	Revised Code of Conduct. Purpose - comply with the Board's direction in Reasons for Decision RH-2-2004, Phase I.

3. *TransCanada Pipelines Limited, BC System (TCPL) - Final Tolls for 2004 (File 3400-T054-2004-1)*

On 27 October 2004, TCPL requested that the Board order that the 2004 interim rates authorized by Order TGI-10-2003 for the BC System are final tolls.

On 22 November 2004, the Board informed TCPL that it had decided to postpone its decision on the application pending the disposition of the

Canadian Association of Petroleum Producers' application for review of the Board's RH-2-2004 Phase I Decision (see item 1 under *Public Hearing Applications, Decision Pending* above and item 1 under *Appeals and Reviews, Review Pending* below).

4. *Trans-Northern Pipelines Inc. (TNPL) - 2005 Tolls (File 4200-T002-12)*

On 1 March 2005, TNPI applied for approval of final tolls for 2005 effective 1 January 2005. TNPI stated that its transportation revenue requirement for 2005 will increase to approximately \$60.2 million as compared to the calculated transportation requirement of \$35.9 million in 2004. Average tolls for 2005 will decrease by 0.6 percent as compared to those approved for 2004.

On 9 March 2005, the Board approved an application dated 7 March 2005 to continue to charge the interim tolls which were approved by Order TOI-4-2005 until such time as final tolls for 2005 are approved.

On 17 March 2005, the Board sought comments of interested parties on the application. On 31 March 2005, Ultramar filed comments in which it indicated that the it remained of the view that the cost overrun associated with the capacity expansion and line reversal project (OH-1-2003 Reasons for Decision) is unacceptable and that a more detailed examination of TNPI's application is necessary.

Appeals and Reviews

Appeals Pending

1. *Sumas Energy 2, Inc. (SE2) - Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia. On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

2. *Flint Hill Resources - Application for Leave to Appeal - RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc. to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Flint Hill Resources also filed a Notice of Motion with the Court seeking an extension of time, until 30 days following the release of the Board's Reasons

for Decision in RH-1-2005, to seek leave to appeal on any additional grounds. In April, the Board had decided to release the Decisions in advance of the Reasons for Decision in response to requests received from several parties during the public hearing held to consider the two applications. The Board released the Reasons for Decision on 19 June 2005.

Review Pending

1. *Canadian Association of Petroleum Producers (CAPP) - Review of RH-2-2004 Phase I Reasons for Decision - TransCanada PipeLines Limited's (TCPL) 2004 Tolls (File 4200-T001-19-R)*

(Refer to item 1 under *Public Hearing Applications, Decision Pending* above.)

On 12 November 2004, CAPP applied for a review of the Board's RH-2-2004 Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. CAPP stated that the Board committed errors that raise doubt as to the correctness of its decision. The errors relate to the determinations made by the Board concerning:

- (a) approving tolls for Non-Renewable Firm Transportation Service (FT-NR) to be determined on a biddable basis;
- (b) allowing TCPL to include all forecast long-term incentive compensation costs in its 2004 cost of service; and,

(c) allowing TCPL to recover through tolls certain regulatory and legal costs relating to review and appeal proceedings.

On 11 February 2005, CAPP requested that the Board defer consideration of the ground for review relating to long-term incentive compensation, (b) above.

On 18 February, the Board decided, with respect to allowing TCPL to recover through tolls certain regulatory and legal costs relating to review and appeal proceedings, that CAPP had not raised a doubt as to the correctness of the RH-4-2001 Decision with respect to regulatory costs. With

respect to FT-NR, the Board was of the view that CAPP had raised a doubt as to the correctness of the decision on the basis that the Board may have erred in approving a different toll for FT-NR than the cost-based toll charged for Firm Transportation with a step-down. Therefore, the Board decided to proceed to the second step of review on this question.

After having consulted with interested parties on how to proceed with the second step of the review, the Board decided to hear oral arguments on the matter.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Cost Recovery Regulations - Electricity - Review (File 175-A000-72-2)*

The Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders.

As part of the review, the Board held workshops on 9 December 2004 in Calgary and on 2 June 2005 in Montréal.

2. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it has completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

3. *Operations and Maintenance Activities on NEB-Regulated Facilities: Requirements and Guidance Notes*

On 11 April 2005, the Board released for public comment documents that detail proposed regulatory changes to clarify requirements for the operation and maintenance of NEB-regulated facilities.

The Board released a draft *Operations and Maintenance Requirements and Guidance Notes* as well as a new draft *Section 58 Streamlining Order*. Once in place, the regulatory changes will provide a clear and consistent approach to regulating operations and maintenance activities on NEB-regulated pipelines so that landowners, the public, regulated companies, and the Board would have a common understanding of how these activities would be regulated in the future and which projects would require an application under Section 58 of the *National Energy Board Act* or would fall under the *Section 58 Streamlining Order*.

4. *Information to be Furnished by Applicants to Import Liquefied Natural Gas (LNG)*

On 19 April 2005, the Board sought comments from all potential applicants to import LNG on a draft document to supplement the requirements of the Board's *Filing Manual* of April 2004 and the *National Energy Board Act Part VI (Oil and Gas) Regulations* concerning imports of LNG.

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

5. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of

Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board, and the Department of Indian Affairs and Northern Development. These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the Offshore Accord Acts.

The intent of the current project is to have goal-oriented D&PR in force by approximately the end of 2006. The goal-oriented D&PR project will build on draft D&PR that were developed as part of a previous project in 2000; however, several

circumstances combined to delay the previous project and prevent those draft D&PR from coming into force.

6. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

7. *The Canada Oil and Gas Geophysical Operations Regulations*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Scheduled Energy Market Assessments (EMA) 2005-2006

1. *Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential*

The NEB and the British Columbia Ministry of Energy and Mines will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in September 2005.

2. *Short-term outlook for Natural Gas and NGLs 2000-2006*

This EMA will examine supply, demand, inventories, prices, etc., of natural gas and natural gas liquids from 2000 and provide an outlook to 2006. The report is expected to be released in October 2005.

3. *Short-term outlook for Canadian Crude Oil to 2006*

This EMA will present the Board's views on crude oil and petroleum product supply, prices and markets to 2006. The report is expected to be released in October 2005.

4. *Short-term Canadian Natural Gas Deliverability, 2005-2007*

This EMA will examine the factors which affect

Canadian natural gas supply in the short-term and present an outlook for deliverability through to the year 2007. Factors examined include trends in industry activity and the production characteristics of gas wells. The report is expected to be released in October 2005.

5. *Natural Gas for Power Generation: Issues and Implications*

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in December 2005.

6. *Renewable and Alternative Sources of Power*

This EMA will address alternative and renewable technologies. Interest in alternative and renewable technologies, such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible supplemental energy sources continue to grow in Canada. Demand reduction (or demand response) programs may also be considered an energy source. The report is expected to be released in February 2006.

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 – Fax: (403) 292-5503.

Applications – Copies Required to be Filed

For a list of the number of copies required for the different types of applications, see our Internet site under the heading *Submit a Document*.

Communication Numbers

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National Energy Board
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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
TransCanada PipeLines Limited	File: 3400-T001-240 Order: XG-T001-18-2005	Application dated 6 May 2005; approved on 13 June 2005. 2005 Cathodic Protection Program No. 2 - Ontario.	605 000
	File: 3400-T001-245 Order: XG-T001-20-2005	Application dated 6 June 2005; approved on 28 June 2005. 2005 Cathodic Protection Program No. 6 - Manitoba.	42 900 000
Westcoast Energy Inc.	File: 3400-W005-342 Order: XG-W005-17-2005	Application dated 12 January 2005; approved on 9 June 2005. Upgrade Compressor Station 2B on the Southern Mainline.	300 000
	File: 3400-W005-350 Order: XG-W005-19-2005	Application dated 29 April 2005; approved on 17 June 2005. Increase the maximum operation pressure of the Red Willow Pipeline and add a tap.	847 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Trans-Northern Pipelines Inc.	File: 3400-T002-69 Order: XO-T002-05-2005	Application dated 15 April 2005; approved on 10 June 2005. Relocated a segment of pipeline in Toronto, Ontario.	225 000
	File: 3400-T002-71 Order: XO-T002-06-2005	Application dated 29 April 2005; approved on 24 June 2005. Replace a pipeline in Quinty West, Ontario.	200 000
	File: 3400-T002-70 Order: XO-T002-07-2005	Application dated 29 April 2005; approved on 24 June 2005. Replace a pipeline in Augusta, Ontario	150 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Westcoast Energy Inc.	File : 3400-W005-351 Order : XC-W005-02-2005	Application dated 10 May 2005; approved on 24 June 2005. Upgrade the sulphur pipeline access road at the Pine River Gas Plant.	660 000

Appendix II

Other Filings

<i>Company</i>	<i>Date</i>	<i>Filing</i>
Westcoast Energy Inc.	2 June	File 3400-W005-352 - Reactivate the Monias Booster Station.
Montreal Pipe Line Limited	3 June	File 3400-M003-3-2 - Modernize the Supervisory Control and Data Acquisition system.
ConocoPhillips Canada Limited	3 June	File 3400-C216-3 - Application for the PTC Dewdney Spur tie-in to TransCanada Pipeline Limited's injection facility.
ConocoPhillips Canada Limited	3 June	File 3400-C216-4 - PTC Pipeline Mainline Valve Replacement Project.
TransCanada PipeLines Limited	6 June	File 3400-T001-246 - 2005 Cathodic Protection Program No. 5 - Saskatchewan.
TransCanada PipeLines Limited	6 June	File 3400-T001-247 - 2005 Cathodic Protection Program No. 6 - Manitoba.
Centra Transmission Holdings Inc.	7 June	File 4710-C293 - Audited Financial Statements for the years ended 31 December 2003 and 2004.
Enbridge Pipelines Inc.	10 June	File 3400-E101-71 - Install redundant pressure transmitters at six locations to provide uninterrupted pressure monitoring.
Profico Energy Management Ltd.	10 June	File 3400-P156-2 - Construct a 2.5 kilometre natural gas pipeline from a well at 11-36-011-01 W4M in Alberta to a gathering system at 08-02-012-30 W3M in Saskatchewan.
Westcoast Energy Inc.	13 June	File 3400-W005-353 - Deactivate 34 kilometres of pipeline on the St. John Mainline from approximately KP 15.0 to KP 49 and install sending and receiving barrels in order to keep the Mainline piggable.
Genesis Pipeline Canada Ltd.	15 June	File 4710-G062 - Audited Financial Statements for the year 2004.
Maritimes & Northeast Pipeline Management Ltd.	17 June	File 4750-M124-2005-1 - Quarterly Surveillance Report for the period ending 31 March 2005.
Terasen Pipelines (Trans Mountain) Inc.	17 June	File 4775-T099 - Revised Petroleum Tariff No. 57 and Refined Petroleum Tariff No. 25.
Provident Energy Pipeline Inc.	20 June	File 3400-P115-2 - Lower and relocate approximately 300 metres of the Taylor to Boundary Lake pipeline at SW 30-83-16 W6M in British Columbia.
Trans-Northern Pipelines Inc.	22 June	File 4710-T002 - Audited Annual Accounts as at 31 December 2004.
Plains Marketing Canada, L.P.	24 June	File 4775-P102-1-1 - Wascana Pipeline Petroleum Tariff No. 7.7 effective 1 July 2005.
Trans-Northern Pipelines Inc.	24 June	File 3400-T002-73 - Replace 75 metres of pipeline in Toronto.
Westcoast Energy Inc.	27 June	File 3402-W005-3-11 - Streamlining Order XG/XO-100-2002 - Streamlining notification to upgrade the SCADA computer hardware and software in Vancouver and Fort St. John gas control centers.
Westcoast Energy Inc.	28 June	File 4775-W005-1-1 - Framework for Light-handed Regulation - Amendment of Toll Schedules effective 1 July 2005.
Westcoast Energy Inc.	28 June	File 4780-W005-2 - Application for relief from the requirements of Schedules VI and VII of the <i>Gas Pipeline Uniform Accounting Regulations</i> .
Express Pipeline Ltd.	30 June	File 4775-E092-1-1 - NEB Tariff Nos. 58, 59 and 60.
Vector Pipeline Limited Partnership	30 June	File 4775-V016-1 - Revised Transportation Tariff.
TransCanada PipeLines Limited	30 June	Files 4775-T001-1-15 and 4775-T001-1-2005 - Mainline Fuel Gas Incentive Report - 2004/2005 Winter Season Program.
Westcoast Energy Inc.	30 June	File No. 4200-W005-18 - Application for approval of certain firm service enhancements in Zones 3 and 4.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of July 2005

National Energy Board Service Standards

On 20 July 2005, the Board published service standards identifying specific delivery targets, or timelines, for a number of regulatory functions and associated services. The new service standards visibly demonstrate our commitment to ensuring projects that are in the public interest can proceed while providing an established and consistent level of service to stakeholders.

The following service areas are identified in the *National Energy Board Service Standards* publication:

- Release of Hearing Decisions
- Export/Import authorizations
- *Canada Oil and Gas Operations Act* applications

- Landowner complaints
- Audits
- Section 58 application cycle times
- Responses to non-hearing correspondence
- Requests to Library
- Information requests through the Web site.

Service delivery in these areas will be tracked throughout the year to determine if targets have been met. The Board will then report the results through the Annual Report and Departmental Performance Review, which are available on the Board's Web site.

Public Hearing Applications

Decision Rendered

1. *Canadian Association of Petroleum Producers (CAPP) – Review of RH-2-2004 Phase I Reasons for Decision – TransCanada Pipelines Limited's (TCPL) 2004 Tolls – RH-R-1-2005 (File 4200-T001-19-R)*

The Board released its decision on an application by CAPP for a review of the Board's RH-2-2004

Phase I Reasons for Decision with respect to TCPL's 2004 Mainline Tolls. The Board heard oral arguments on the application on 26 April 2005 in Calgary. The Board heard arguments on the following:

- i) whether the Board's decision regarding the tolling of Non-Renewable Firm Transportation Service (FT-NR) should be confirmed, amended or overturned; and

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety and Security,
Environmental Protection and
Economic Efficiency"**

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- ii) if the decision should be amended or overturned, how FT-NR should be tolled.

Hearing in Progress

1. *Westcoast Energy Inc. (WEI) – Transportation Service Enhancements – RHW-1-2005 (File 4200-W005-18)*

The Board is holding a written public hearing on an application by WEI for approval of certain Firm Transportation Service enhancements in Zones 3 and 4. WEI stated in its application that in the past few years increasing amounts of firm service have not been re-contracted in Zones 3 and 4. WEI believes that the implementation of certain enhancements to the firm services offered in Zones 3 and 4 will increase the value of firm service to both existing and potential shippers and encourage higher levels of firm contracting.

Hearings Scheduled

1. *Chevron Canada Limited (Chevron Canada) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) – Priority Destination – MH-2-2005 (Files 4755-T099-3 and 4755-T099-4)*

The Board will hold a public hearing commencing on 12 September 2005 in Calgary on two applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system. The first application is for delivery of crude oil by Chevron Canada, and the second application is for delivery of isooctane by Chevron/Neste.

Chevron Canada is requesting a priority designation for the unapportioned delivery from Edmonton to Burnaby of up to 5 500 cubic metres per day of crude oil during periods that nominations would otherwise be apportioned. Chevron/Neste are requesting priority designation of unapportioned delivery from Edmonton to Burnaby of up to 2 400 cubic metres per day of isooctane during periods that nominations would otherwise be apportioned.

2. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties – Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited, Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited, ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited. The Board will announce at a later time the dates and locations of its public hearing.

The Mackenzie Gas Project includes a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station.

Proposed Application

1. *Terasen Pipelines (Trans Mountain) Inc. (Terasen Pipelines) – TMX Anchor Loop (File 3200-T099-1)*

On 25 April 2005, Terasen Pipelines filed a project description of a proposal to loop a portion of its existing Trans Mountain oil pipeline system. This project, referred to as the TMX Anchor Loop, involves the construction of 178 kilometres of 762 or 812 millimetre (30 or 32 inch) diameter pipeline between a location west of Hinton, Alberta to a location near Jackman Hill, British Columbia. The proposed TMX Anchor Loop would also include the installation of new pump stations at three locations elsewhere on the Trans Mountain pipeline. Two of the stations would be located in Alberta at Chip and Wolf, and one in British Columbia, at Chappel.

Pending regulatory approvals, construction of the TMX Anchor Loop is scheduled to begin in mid-2007, with completion of construction in the third quarter of 2008.

The project description notes that a certificate of public convenience and necessity is required for the Project to proceed and that Terasen Pipelines expects to submit regulatory applications at the end of 2005.

Non-Public Hearing Applications

Electricity Matters

Matter Completed

1. *Lighthouse Energy Trading Co., Inc. (Lighthouse) – Electricity Export (File 6200-L032-2)*

On 15 July 2005, the Board approved an application dated 5 April 2005 from Lighthouse for permits to export up to 300 megawatts and 2 628 000 megawatt hours of firm power and energy, respectively, and 1 752 000 megawatt hours of interruptible energy per year for a period of 10 years.

Matters under Consideration

2. *ENMAX Energy Marketing Inc. (ENMAX) – Electricity Export (File 6200-E139-2)*

On 15 June 2005, ENMAX applied for permits to export up to 400 megawatts of firm power and up to 1 000 megawatts of interruptible power and up to 3 504 gigawatt hours per year of firm energy and up to 8 760 gigawatt hours of interruptible energy per year for a period of 10 years.

3. *Manitoba Hydro - Electricity Export (File 6200-M020-17)*

On 7 April 2005, Manitoba Hydro applied for permits to export up to 3 250 megawatts of firm and/or interruptible power and up to 25 434 gigawatt hours of firm and/or interruptible energy per year for a period of five years. The application, in part, represents a renewal of existing Export Permits EPE-45 and EPE-46 which expire on 31 October 2005.

4. *Saracen Merchant Energy LP (Saracen) – Electricity Export (File 6200-S182-1)*

On 10 May 2005, Saracen applied for permits to export up to 600 megawatts and 2 700 000 megawatt-hours of combined firm and interruptible power and energy, respectively, per year for a period of 10 years.

Frontier Matter

1. *Geological, Geophysical or Geotechnical Operations*

Two applications were approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act*.

Company	Area	Operation ID	Date approved
Husky Oil Operations Limited	N.W.T.	9229-H006-002E	18 July 2005
Husky Oil Operations Limited	N.W.T.	9229-H006-003E	18 July 2005

Gas Matters

Matters Pending

1. *EnCana Corporation (EnCana) – Replacement of a Gas Sale Agreement – Licences GL-284 and GL-285 (Files 7200-E112-1-1 and 7200-E112-1-2)*

On 23 December 2004, EnCana applied for approval of a gas sale agreement entitled the *Cross-Border Commodity Purchase & Sale Agreement* that would replace the original gas sale agreement dated 1 January 1994 underpinning natural gas export Licences GL-284 and GL-285. Under Licences GL-284 and GL-285, EnCana is authorized to export approximately 1.6 billion cubic metres and 1.0 billion cubic metres, respectively, in any consecutive 12-month period ending 31 October. On 3 February 2005, the Board sent a letter to EnCana requesting additional information.

2. *ProGas Limited – Restructuring of Sales Contracts and Amendments to Natural Gas Export Licences GL-101 and GL-109 (Files 7200-P038-4-2 and 7200-P038-3-2)*

On 5 July 2005, ProGas applied for approval of two new contracts between Ocean State Power (OSP) dated 1 March 2005. The requested approvals are required as a result of the restructuring of the gas export sales contracts with OSP dated 14 December 1988 (OSP I) and 29 September 1989 (OSP II) underpinning natural gas exports under Licences GL-101 and GL-109.

ProGas also applied to vary both Licences such that the termination dates be changed and the total quantities of gas to be exported be reduced.

Pipeline Matters

Matters Completed

1. *Nexen Marketing (Nexen) and 1057533 Alberta Ltd. – Sell and Purchase a Pipeline (Files 3400-N086-2 and 3400-Z011-2)*

On 28 July 2005, the Board approved a joint application dated 30 June 2005 from Nexen to sell and 1057533 Alberta Ltd. to purchase a 38 kilometre oil emulsion pipeline from b-76-H/94-I-9 in British Columbia to 11-17-110-9 W6M in Alberta. The pipeline, known as the Hay Pipeline, was constructed by CXY Energy Marketing.

2. *Section 58 Applications*

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matters Pending

3. *TransCanada PipeLines Limited (TCPL) – Les Cèdres Loop (File 3400-T001-238)*

On 28 February 2005, TCPL applied for approval to construct 21.3 kilometres of pipeline loop from mainline valve 147A in the Municipality of Saint-Télesphore, Quebec to mainline valve 148 in the Municipality of Les Cèdres, Quebec (Les Cèdres Loop). The proposed Les Cèdres Loop, together with the capacity provided by the existing mainline facilities, will be needed to enable TCPL to transport the natural gas required for a new gas-fired cogeneration plant being constructed at Bécancour, Quebec. The estimated cost of the project is \$44.1 million and the proposed in-service date is 1 November 2006.

4. *Terasen Pipelines (Trans Mountain) Inc. (Terasen) – Capacity Expansion (File 3400-T099-13)*

On 12 July 2004, Terasen applied for approval to increase the capacity of the Trans Mountain pipeline system from 35 770 cubic metres per day (225,000 barrels per day) to 41 330 cubic metres per day (260,000 barrels per day). The facilities required for the project include the construction

of 12 new pump stations and modifications to three existing pump stations and modifications of pump internals at eight existing stations between Edmonton, Alberta and Burnaby, British Columbia. The estimated cost of the project is \$210 million and the construction is anticipated to take place in 2006 with a proposed in-service date of April 2007.

5. *Maritimes & Northeast Pipeline Management Ltd. (M&NP) – Amendments to Board Order XG-M124-60-2002 (File 3400-M124-14-1)*

On 27 July 2005, M&NP applied for approval to amend several conditions in Order XG-M124-60-2002 so as to permit M&NP to utilize the Order to construct and operate the compressor units at the same locations to facilitate the transportation of regasified liquefied natural gas (LNG) for Anadarko Petroleum Corporation commencing in 2008. On 18 November 2002, the Board issued Order XG-M124-60-2002, as a result of hearing GH-3-2002, to M&NP to construct four compressors units which would have been required to fulfill the transportation requirements of natural gas from the proposed Deep Panuke Project.

M&NP informed the Board that it had recently executed a Precedent Agreement with Anadarko Petroleum Corporation to transport 813,000 MMBtu per day of natural gas from the proposed LNG terminal near Point Tupper, Nova Scotia over at least twenty years expected to commence in 2008. M&NP expects to file a section 52 application for facilities required for the transportation requirements of Anadarko. The LNG expansion will be designed on the basis that the compression facility and site related approvals which are the subject of the Order XG-M124-60-2002 will remain in effect. This will allow M&NP to install compression facilities required to transport the regasified LNG for Anadarko at these same compressor sites by early 2008.

Traffic, Tolls And Tariffs Matters

Matters Completed

1. *TransCanada PipeLines Limited (TCPL) – Resolution of the 2005 Toll Task Force (File 4200-T001-19-1)*

On 7 July 2005, the Board approved the resolution described below.

Resolution No.	Subject
14.2005	Revised Code of Conduct. Purpose - comply with the Board's direction in Reasons for Decision RH-2-2004, Phase I.

2. *TransCanada Pipelines Limited, B.C. System (TCPL) – Final Tolls for 2004 and 2005 (File 3400-T054-2004-1)*

On 27 July 2005, the Board approved an application dated 30 June 2005 from TCPL requesting that the Board approve Final Rates and Charges for 2004 and 2005 for the B.C. System.

Matters Pending

3. *Enbridge Pipelines Inc. – 2005 Interim Tolls (File 4400-E101-7)*

On 20 July 2005, Enbridge applied for approval of revised 2005 interim tolls. The Board sought comments from interested parties on the application.

4. *TransCanada PipeLines Limited (TCPL) – Resolutions of the 2005 Toll Task Force (File 4775-T001-1-2005)*

On 26 July 2005, TCPL applied for approval of the resolutions described below.

Resolution No.	Subject
16.2005	Great Lakes Gas Transmission Contracts. Purpose - to establish a subcommittee of the Toll Task Force to discuss the November 2006 renewal of TCPL's gas transportation contracts with Great Lake Gas Transmission commencing 1 November 2006.
17.2005	Amendments to the Short Term Firm Transportation (STFT) Toll Schedule of the Mainline Tariff. Purpose - to allow parties to bid NEB approved tolls in advance of their effective date for service that commences on or after such effective date.

5. *Trans-Northern Pipelines Inc. (TNPL) – 2005 Tolls (File 4200-T002-12)*

On 1 March 2005, TNPL applied for approval of final tolls for 2005 effective 1 January 2005. TNPL stated that its transportation revenue requirement for 2005 will increase to approximately \$60.2 million as compared to the calculated transportation requirement of \$35.9 million in 2004. Average tolls for 2005 will decrease by 0.6 percent as compared to those approved for 2004.

On 9 March 2005, the Board approved an application dated 7 March 2005 to continue to charge the interim tolls which were approved by Order TOI-4-2005 until such time as final tolls for 2005 are approved.

On 17 March 2005, the Board sought comments of interested parties on the application. On 31 March 2005, Ultramar filed comments in which it indicated that it remained of the view that the cost overrun associated with the capacity expansion and line reversal project (OH-1-2003 Reasons for Decision) is unacceptable and that a more detailed examination of TNPL's application is necessary. TNPL and Ultramar agreed to meet on this subject in late May.

Appeals

Appeals Pending

1. *Sumas Energy 2, Inc. (SE2) – Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia. On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

2. *Flint Hill Resources – Application for Leave to Appeal – RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved

two applications from Enbridge Pipelines Inc. to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Flint Hill Resources also filed a Notice of Motion with the Court seeking an extension of time, until 30 days following the release of the Board's Reasons for Decision in RH-1-2005, to seek leave to appeal on any additional grounds. In April, the Board had decided to release the Decisions in advance of the Reasons for Decision in response to requests received from several parties during the public hearing held to consider the two applications. The Board released the Reasons for Decision on 19 June 2005.

Amendments to Regulations

Regulatory Initiatives Pursuant to the National Energy Board Act

1. *Cost Recovery Regulations – Electricity – Review (File 175-A000-72-2)*

Following a request from some of the stakeholders, the Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. As part of the review, the Board held workshops on 9 December 2004 in Calgary and on 2 June 2005 in Montréal.

On 21 July 2005, the Board made public a report entitled *Electricity Cost Recovery Alternatives* prepared by Chymko Consulting Ltd. The Board engaged Chymko as a cost recovery consultant to provide assistance in a review of the electricity cost recovery regulations. As part of the project, Chymko was asked to research electricity cost recovery methodologies of other countries and Canadian jurisdictions and provide a written report to that effect. On 4 August, the Board published the summary report of the workshop held in June 2005.

2. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it has completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

3. *Operations and Maintenance Activities on NEB-Regulated Facilities: Requirements and Guidance Notes*

On 14 July 2005, the Board released new requirements for operations and maintenance activities on pipelines regulated under the *National Energy Board Act (NEB Act)* that will allow companies to carry out operations and maintenance activities without having to submit an application under section 58 of the NEB Act.

The new requirements will provide companies and the public with greater clarity about the Board's expectations for the management and regulation of operations and maintenance activities on NEB-regulated facilities. The Board will continue to regulate operations and maintenance activities through its inspection and audit programs to ensure these activities are carried out with respect for safety, security, environmental protection, economic efficiency, and the rights of those affected.

The review of operations and maintenance activities was initiated in response to requests from regulated companies for clarity on the types of projects that require a section 58 application under the NEB Act. The Board consulted with stakeholders to develop the changes which are reflected in the *Operations and Maintenance Requirements and Guidance Notes*. During the recent public comment period the Board received feedback from a number of regulated companies, federal government agencies and from the Canadian Alliance of Pipeline Landowners Association.

The development of new requirements and guidance notes for operation and maintenance activities supports the federal government's Smart Regulation initiative which promotes the use of appropriate regulatory instruments while streamlining processes and removing unnecessary steps and information requirements.

4. Information to be Furnished by Applicants to Import Liquefied Natural Gas (LNG)

On 19 April 2005, the Board sought comments from all potential applicants to import LNG on a draft document to supplement the requirements of the Board's *Filing Manual* of April 2004 and the *National Energy Board Act Part VI (Oil and Gas) Regulations* concerning imports of LNG.

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

5. Goal-oriented Drilling and Production Regulations (D&PR)

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board, and the Department of Indian Affairs and Northern Development. These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the Offshore Accord Acts.

The intent of the current project is to have goal-oriented D&PR in force by approximately the end of 2006. The goal-oriented D&PR project will build on draft D&PR that were developed as part of a previous project in 2000; however, several circumstances combined to delay the previous project and prevent those draft D&PR from coming into force.

6. Canada Oil and Gas Diving Regulations and Guidance Notes

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

7. The Canada Oil and Gas Geophysical Operations Regulations

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Scheduled Energy Market Assessments (EMA) 2005-2006

1. *Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential*

The NEB and the British Columbia Ministry of Energy and Mines will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in September 2005.

2. *Short-term outlook for Natural Gas and NGLs 2000-2006*

This EMA will examine supply, demand, inventories, prices, etc., of natural gas and natural gas liquids from 2000 and provide an outlook to 2006. The report is expected to be released in October 2005.

3. *Short-term outlook for Canadian Crude Oil to 2006*

This EMA will present the Board's views on crude oil and petroleum product supply, prices and markets to 2006. The report is expected to be released in September 2005.

4. *Short-term Canadian Natural Gas Deliverability, 2005-2007*

This EMA will examine the factors which affect Canadian natural gas supply in the short-term and present an outlook for deliverability through to the year 2007. Factors examined include trends in industry activity and the production characteristics of gas wells. The report is expected to be released in October 2005.

5. *Natural Gas for Power Generation: Issues and Implications*

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in December 2005.

6. *Renewable and Alternative Sources of Power*

This EMA will address alternative and renewable technologies. Interest in alternative and renewable technologies, such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible supplemental energy sources continue to grow in Canada. Demand reduction (or demand response) programs may also be considered an energy source. The report is expected to be released in February 2006.

Correspondence

All correspondence should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 – Fax: (403) 292-5503, Fax (toll free): 1-877-288-8803.

Applications and Other Filings Number of Copies to be Filed

You may submit your application and other filings to the Board in one of two ways:

1. Electronically: use the Submit a Document option on our Web site and mail (see address above) or fax one (1) copy of your documents, or
2. mail twenty-five (25) copies of your documents.

Addition information on:

Filings and types of documents that can be filed electronically and creating PDF documents: see *Filer's Guide to Electronic Submission* (http://www.neb-one.gc.ca/efile/guide_e.pdf).

Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

Templates providing alternative ways to file your documents and assistance with the provision of multiple copies due to undue financial burden: see *Can't Submit Your Document Electronically? Procedure for Sending Hard Copies* (http://www.neb-one.gc.ca/efile/forms/paper_e.htm).

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Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
TransCanada PipeLines Limited	File: 3400-T001-241 Order: XG-T001-22-2005	Application dated 6 May 2005; approved on 5 July 2005. 2005 Cathodic Protection Program No. 3 – Ontario.	217 000
	File: 3400-T001-244 Order: XG-T001-23-2005	Application dated 6 June 2005; approved on 6 July 2005. 2005 Cathodic Protection Program No. 5 – Saskatchewan.	1 335 000
	File: 3400-T001-243 Order: XG-T001-24-2005	Application dated 19 May 2005; approved on 20 July 2005. 2005 Cathodic Protection Program No. 4 – Ontario.	2 033 000
	File: 3400-T001-246 Order: XG-T001-25-2005	Application dated 24 June 2005; approved on 21 July 2005. 2005 Cathodic Protection Program No. 7 – Saskatchewan and Ontario.	419 500
Westcoast Energy Inc.	File : 3400-W005-349 Order : XG-W005-21-2005	Application dated 20 April 2005; approved on 4 July 2005. Replace 760 metres of the Fort Nelson Mainline in the Daniels Creek area in British Columbia.	2 200 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Trans-Northern Pipelines Inc.	File : 3400-T002-72 Order : XO-T002-08-2005	Application dated 27 May 2005; approved on 28 July 2005. Replace a section of pipeline in Clarington, Ontario.	420 000

Commodity Pipelines

Applicant	File/Order	Application	Est. Cost
Souris Valley Pipeline Limited	File : 3400-S161-3 Order : XC-S161-03-2005	Application dated 5 April 2005; approved on 28 July 2005. Construct a metering station and an interconnecting pipeline to Apache Canada Ltd. in southeast Saskatchewan.	600 000

Appendix II

Other Filings

<i>Company</i>	<i>Date</i>	<i>Filing</i>
Gazoduc Trans Québec & Maritimes Inc.	4 July	File 3400-T028-38 – Application to install a lateral valve at kilometre post 204.7.
TransCanada PipeLines Limited	4 July	File 3400-T001-248 – Application to install a new Grand Coulee Receipt Station at MLV 16.
EnCana Oil & Gas Co. Ltd.	11 July	File 3400-E120-3 – Application to construct a 5.4 km sweet natural gas pipeline commencing at an existing EnCana facility located at a-63-A/93-P-8 in British Columbia and ending in Alberta at 06-17-073-13 W6M (Tupper South Pipeline Loop).
Enbridge Pipelines Inc.	20 July	File 4775-E101-1-1 – Filing of NEB Tariffs Nos. 270 and 271, effective 1 August 2005.
Gazoduc Trans Québec & Maritimes Inc.	21 July	File 3400-T028-38 – Quarterly Surveillance Report for the period ending 30 June 2005.
Montréal Pipe Line Limited	26 July	File 3400-M003-30 – Application to deactivate a 273 millimetre (10-inch) by-pass pipeline across the Richelieu River in Quebec.
Westcoast Energy Inc.	28 July	File 4775-W005-1-1 – Framework for Light-handed Regulation, Amendment of Raw Gas Transmission Toll Schedules effective 1 August 2005.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Government

Regulatory Agenda

The period covered in this Regulatory Agenda is the month of August 2005

Public Hearing Applications

Hearing in Progress

1. *Westcoast Energy Inc. (WEI) - Transportation Service Enhancements - RHW-1-2005 (File 4200-W005-18)*

The Board is holding a written public hearing on an application by WEI for approval of certain Firm Transportation Service enhancements in Zone 3 (Mainline north) and Zone 4 (Mainline south). WEI stated in its application that in the past few years increasing amounts of firm service have not been re-contracted in Zones 3 and 4. WEI believes that the implementation of certain enhancements to the firm services offered in Zones 3 and 4 will increase the value of firm service to both existing and potential shippers and encourage higher levels of firm contracting.

The Board will hold a public hearing commencing on 5 December 2005 in Calgary on two applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system. The first application is for delivery of crude oil by Chevron Canada, and the second application is for delivery of isooctane by Chevron/Neste.

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Hearings Scheduled

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In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

"We promote Safety and Security, Environmental Protection and Economic Efficiency"

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2. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties - Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

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The Mackenzie Gas Project includes a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be

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Proposed Application

1. *Terasen Pipelines (Trans Mountain) Inc. (Terasen) - TMX Anchor Loop (File 3200-T099-1)*

On 25 April 2005, Terasen filed a project description of a proposal to loop a portion of its existing Trans Mountain oil pipeline system. This project, referred to as the TMX Anchor Loop, involves the construction of 178 kilometres of 762 or 812 millimetre (30 or 32 inch) diameter pipeline between a location west of Hinton, Alberta to a location near Jackman Hill, British Columbia. The proposed TMX Anchor Loop would also include the installation of new pump stations at two locations elsewhere on the Trans Mountain pipeline. One of the stations would be located at Wolf, Alberta and one at Chappel, British Columbia.

Pending regulatory approvals, construction of the TMX Anchor Loop is scheduled to begin in mid-2007, with completion of construction in the third quarter of 2008. Terasen expects to submit regulatory applications at the end of 2005.

Non-Public Hearing Applications

Electricity Matters

Matter Completed

1. *Saracen Merchant Energy LP (Saracen) - Electricity Export (File 6200-S182-1)*

On 12 August 2005, the Board approved an application dated 10 May 2005 from Saracen for permits to export up to 400 megawatts and 1 200 gigawatt-hours of firm power and energy and 1 500 gigawatt-hours of interruptible energy per year for a period of 10 years.

Matters under Consideration

2. *ENMAX Energy Marketing Inc. (ENMAX) - Electricity Export (File 6200-E139-2)*

On 15 June 2005, ENMAX applied for permits to export up to 400 megawatts of firm power and up

to 1 000 megawatts of interruptible power and up to 3 504 gigawatt hours per year of firm energy and up to 8 760 gigawatt hours of interruptible energy per year for a period of 10 years.

3. *Manitoba Hydro - Electricity Export (File 6200-M020-17)*

On 7 April 2005, Manitoba Hydro applied for permits to export up to 3 250 megawatts of firm and/or interruptible power and up to 25 434 gigawatt hours of firm and/or interruptible energy per year for a period of five years. The application, in part, represents a renewal of existing Export Permits EPE-45 and EPE-46 which expire on 31 October 2005.

Frontier Matters

1. *Geological, geophysical or geotechnical operation*

One application and one amended application were approved pursuant to section 5.1(b) of the *Canada Oil and-Gas Operations Act*.

Company	Area	Operation ID	Date
Northrock Resources Ltd.	Mackenzie Delta, N.W.T.	9237-N046-002E	19 Aug. 2005
Husky Oil Operations Limited	Mainland, N.W.T.	9229-H006-002E	23 Aug. 2005

Gas Matters

Matters Completed

1. *ProGas Limited (ProGas) - Renegotiated Natural Gas Export Contracts (Files 7200-P038-3-1 and 7200-P038-4-1)*

On 11 August 2005, the Board approved an application dated 5 July 2005 from ProGas for approval of renegotiated gas export contracts with Ocean State Power (OSP) and Ocean State Power II (OSP II) underpinning exports under Licences GL-101 and GL-109, respectively. The Board also approved ProGas' application to amend Licences GL-101 and GL-109. OSP and OSP II are combined cycle electric generating facilities located in Burrillville, Rhode Island.

2. *Selkirk Cogen Partners L.P. and EnCana Corporation (Applicants) - Amendments to a Gas Sale Contract (File 7200-S157-3-1)*

On 1 September 2005, the Board approved joint applications dated 3 and 23 August 2005 from the Applicants for approval of amendments to a gas sales contract underpinning natural gas exports under Licence GL-194. The Applicants also applied to amend Licence GL-194. The amended gas sales agreement includes changes to daily contract quantities, the pricing mechanism and general contract specifics. The amendments to Licence GL-194 consist of quantity adjustments and a name change to reflect the amalgamation of PanCanadina Petroleum Limited to EnCana Corporation. Selkirk owns a cogeneration facility in Selkirk, New York.

Matter Pending

3. *EnCana Corporation (EnCana) - Replacement of a Gas Sale Agreement - Licences GL-284 and GL-285 (Files 7200-E112-1-1 and 7200-E112-1-2)*

On 23 December 2004, EnCana applied for approval of a gas sale agreement entitled the

Cross-Border Commodity Purchase & Sale Agreement that would replace the original gas sale agreement dated 1 January 1994 underpinning natural gas export Licences GL-284 and GL-285. Under these licences, EnCana is authorized to export approximately 1.6 billion cubic metres and 1.0 billion cubic metres of natural gas, respectively, in any consecutive 12-month period ending 31 October. On 3 February 2005, the Board sent a letter to EnCana requesting additional information.

Pipeline Matters

Matter Completed

1. *Section 58 Applications*

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matters Pending

2. *EnCana Oil & Gas Co. Ltd. on behalf of the EnCana Oil & Gas Partnership (EnCana) - Mid-Tupper Pipeline (File 3400-E126-3)*

On 12 August 2005, EnCana applied for approval to construct a sour natural gas pipeline and a sweet natural gas pipeline each extending 3.8 kilometres from an existing EnCana pipeline hub located at d-33-1/93-P-8 in British Columbia to tie-in points adjacent to the existing EnCana compressor station located at 15-31-74-13 W6M in Alberta. Construction of the proposed pipelines is planned for the fall of 2005 and the proposed in service date is scheduled for the first quarter of 2006. The estimated cost of the pipelines is \$1.6 million.

3. *TransCanada PipeLines Limited (TCPL) - Les Cèdres Loop (File 3400-T001-238)*

On 28 February 2005, TCPL applied for approval to construct 21.3 kilometres of pipeline loop from mainline valve 147A in the Municipality of Saint-Télesphore, Quebec to mainline valve 148 in the Municipality of Les Cèdres, Quebec (Les Cèdres Loop). The proposed Les Cèdres Loop, together with the capacity provided by the existing mainline facilities, will be needed to enable TCPL to transport the natural gas required for a new gas-fired cogeneration plant being constructed at Bécancour, Quebec. The estimated cost of the

project is \$44.1 million and the proposed in service date is 1 November 2006.

4. Terasen Pipelines (Trans Mountain) Inc. (Terasen) - Capacity Expansion (File 3400-T099-13)

On 12 July 2004, Terasen applied for approval to increase the capacity of the Trans Mountain pipeline system from 35 770 cubic metres per day (225 000 barrels per day) to 41 330 cubic metres per day (260 000 barrels per day). The facilities required for the project include the construction of 12 new pump stations and modification to three existing pump stations and modifications of pump internals at eight existing stations between Edmonton, Alberta and Burnaby, British Columbia. The estimated cost of the project is \$210 million and the construction is anticipated to take place in 2006 with a proposed in-service date of April 2007.

5. Maritimes & Northeast Pipeline Management Ltd. ("M&NP") - Amendments to Board Order XG-M124-60-2002 (File 3400-M124-14-1)

On 27 July 2005, M&NP applied for approval to amend several conditions in Order XG-M124-60-2002 so as to permit M&NP to utilize the Order to construct and operate the compressor units at the same locations to facilitate the transportation of regasified liquefied natural gas (LNG) for Anadarko Petroleum Corporation commencing in 2008. On 18 November 2002, the Board issued Order XG-M124-60-2002, as a result of hearing GH-3-2002, allowing M&NP to construct four compressor units which would have been required to fulfill the transportation requirements of natural gas from the proposed Deep Panuke Project.

M&NP informed the Board that it had recently executed a Precedent Agreement with Anadarko Petroleum Corporation to transport 813 000 MMBtu per day of natural gas from the proposed LNG terminal near Point Tupper, Nova Scotia over at least 20 years expected to commence in 2008. M&NP expects to file a section 52 application for facilities required to provide for Anadarko's transportation requirements. The LNG expansion will be designed on the basis that the compression facility and site related approvals which are the subject of the Order XG-M124-60-2002 will remain in effect. This will allow M&NP to install compression facilities required to transport

the regasified LNG for Anadarko at these same compressor sites by early 2008.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. Enbridge Pipelines Inc. - 2005 Interim Tolls (File 4400-E101-7)

On 11 August 2005, the Board approved an application dated 20 July 2005 from Enbridge for 2005 revised interim tolls effective 1 August 2005. The Board had sought comments from interested parties on the application.

2. TransCanada PipeLines Limited (TCPL) - Resolutions of the 2005 Toll Task Force (Files 4775-T001-1-18 and 4775-T001-1-16)

On 16 and 24 August 2005, the Board approved the resolutions described below.

Resolution No.	Subject
17.2005	Amendments to the Short Term Firm Transportation Toll Schedule of the Mainline Tariff. Purpose - to allow Parties to bid on NEB approved tolls in advance of their effective date for service that commences on or after such effective date.
18.2005	Elimination of Foreign Exchange Exposure on US Senior Debt-Extension. Purpose - by letter dated 27 May 2005, the Board approved TCPL's application for the conversion, subject to certain conditions, as per Toll Task Force Resolution 10.2005. One of the conditions was that, for each debt instrument, the authority to convert the obligations would end the earlier of i) the conversion taking place, ii) a Date Certain of August 31, 2005, or iii) when TCPL provides notice to the Toll Task Force that it can no longer accept the foreign exchange exposure on the US Senior Debt. In order to extend the opportunity to carry out the conversion, TCPL seeks a change to the Date Certain from 31 August 2005 to 31 December 2005.

Matters Pending

3. TransCanada PipeLines Limited (TCPL) - Resolutions of the 2005 Toll Task Force (Files 4775-T001-1-2005, 4775-T001-1-19, 4775-T001-1-20, 4775-T001-1-21)

On 26 July and 19 August 2005, TCPL applied for approval of the resolutions described below.

Resolution No.	Subject
16.2005	Great Lakes Gas Transmission Contracts. Purpose - to establish a subcommittee of the Toll Task Force to discuss the November 2006 renewal of TCPL's gas transportation contracts with Great Lake Gas Transmission commencing 1 November 2006.
19.2005	Amend the Alternate Receipt Points (ARP) feature of the Firm Transportation service. Purpose - amends two aspects of ARP to change the effective date from 1 November to 1 October 2005 and amend the fuel provisions such that a Shipper may provide fuel at any point set out in Shipper's Firm Transportation contract and/or at any valid Alternate Receipt Point for Shipper's contract.
20.2005	Amend the Mainline FT-Risk Alleviation Mechanism (FT-RAM). Purpose - extend the FT-RAM pilot for a period of one year commencing 1 November 2005 and ending 31 October 2006. TCPL also applied for an amendment to the Interim Transportation Toll Schedule to give effect to the extension.

4. *Trans-Northern Pipelines Inc. (TNPL) - 2005 Tolls (File 4200-T002-12)*

On 1 March 2005, TNPI applied for approval of final tolls for 2005 effective 1 January 2005. TNPI stated that its transportation revenue requirement for 2005 will increase to approximately \$60.2 million as compared to the calculated transportation requirement of \$35.9 million in 2004. Average tolls for 2005 will decrease by 0.6 percent as compared to those approved for 2004.

On 9 March 2005, the Board approved an application dated 7 March 2005 to continue to charge the interim tolls which were approved by Order TOI-4-2005 until such time as final tolls for 2005 are approved.

On 17 March 2005, the Board sought comments of interested parties on the application. On 31 March 2005, Ultramar filed comments in which it indicated that it remained of the view that the cost overrun associated with the capacity expansion and line reversal project (OH-1-2003 Reasons for Decision) is unacceptable and that a more detailed examination of TNPI's application is necessary.

Appeals

Appeals Pending

1. *Sumas Energy 2, Inc. (SE2) - Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia. On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

2. *Flint Hill Resources - Application for Leave to Appeal - RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's

decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc. to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Flint Hill Resources also filed a Notice of Motion with the Court seeking an extension of time, until 30 days following the release of the Board's Reasons for Decision in RH-1-2005, to seek leave to appeal on any additional grounds.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*.

1. *Cost Recovery Regulations - Electricity - Review (File 175-A000-72-2)*

The Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders. As part of the review, the Board held workshops on 9 December 2004 in Calgary and on 2 June 2005 in Montréal.

On 21 July 2005, the Board made public a report entitled *Electricity Cost Recovery Alternatives* prepared by Chymko Consulting Ltd. The Board engaged Chymko as a cost recovery consultant to provide assistance in a review of the electricity cost recovery regulations. As part of the project, Chymko was asked to research electricity cost recovery methodologies of other countries and Canadian jurisdictions and provide a written report to that effect. On 4 August 2005, the Board published the summary report of the workshop held in June 2005.

2. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it has completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

3. *Information to be Furnished by Applicants to Import Liquefied Natural Gas (LNG)*

On 19 April 2005, the Board sought comments from all potential applicants to import LNG on a draft document to supplement the requirements of the Board's Filing Manual of April 2004 and the *National Energy Board Act Part VI (Oil and Gas) Regulations* concerning imports of LNG.

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

4. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board and the Department of Indian Affairs and Northern Development. These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the *Offshore Accord Acts*.

The intent of the current project is to have goal-oriented D&PR in force by approximately the end of 2006. The goal-oriented D&PR project will build on draft D&PR that were developed as part of a previous project in 2000; however, several circumstances combined to delay the previous project and prevent those draft D&PR from coming into force.

5. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

6. *The Canada Oil and Gas Geophysical Operations Regulations*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Scheduled Energy Market Assessments (EMA) 2005-2006

1. *Short-term outlook for Canadian Crude Oil to 2006*

This EMA will present the Board's views on crude oil and petroleum products supply, prices and markets to 2006. The report is expected to be released in September 2005.

2. *Short-term outlook for Natural Gas and NGLs 2000-2006*

This EMA will examine supply, demand, inventories, prices, etc., of natural gas and natural gas liquids from 2000 and provide an outlook to 2006. The report is expected to be released in October 2005.

3. *Short-term Canadian Natural Gas Deliverability, 2005-2007*

This EMA will examine the factors which affect Canadian natural gas supply in the short-term and present an outlook for deliverability through to the year 2007. Factors examined include trends in industry activity and the production characteristics of gas wells. The report is expected to be released in October 2005.

4. *Natural Gas for Power Generation: Issues and Implications*

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in December 2005.

5. *Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential*

The NEB and the British Columbia Ministry of Energy and Mines will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in September 2005.

6. *Renewable and Alternative Sources of Power*

This EMA will address alternative and renewable technologies. Interest in alternative and renewable technologies, such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible supplemental energy sources continue to grow in Canada. Demand reduction (or demand response) programs may also be considered an energy source. The report is expected to be released in February 2006.

Instructions for Filing

All correspondence should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 – Fax: (403) 292-5503.

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2. mail twenty-five (25) copies of your documents.

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Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

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Appendix I

Section 58 Applications

Gas Pipelines

<i>Applicant</i>	<i>File/Order</i>	<i>Application</i>	<i>Est. Cost</i>
ConnocoPhillips Canada Ltd.	File: 3400-C216-4 Order: XG-C216-26-2005	Application dated 10 June 2005; approved on 3 August 2005. Remove and replace four valves on the PTC pipeline in Saskatchewan.	200 000
	File: 3400-C216-3 Order: XG-C216-28-2005	Application dated 3 June 2005; approved on 16 August 2005. Install facilities to inject natural gas liquids into the TransCanada PipeLines Limited system.	2 000 000
Minell Pipeline Ltd.	File: 3400-M025-6 Order: XG-M025-31-2005	Application dated 27 May 2005; approved on 25 August 2005. Replace a section of the Minell pipeline at Silver Creek, Manitoba.	145 000
Profico Energy Management Ltd.	File: 3400-P156-2 Order: XG-P156-32-2005	Application dated 10 June 2005; approved on 25 August 2005. Construct a 2.5 kilometre pipeline starting near Medicine Hat, Alberta and ending near Maple Creek, Saskatchewan.	242 000
TransCanada PipeLines	File: 3400-T001-248 Order: XG-T001-30-2005	Application dated 4 July 2005; approved on 24 August 2005. Construct the Grand Coulee Receipt Station in Saskatchewan.	975 000
Trans Québec & Maritimes Pipeline Inc.	File: 3400-T028-38 Order: XG-T028-29-2005	Application dated 4 July 2005; approved on 16 August 2005. Construct an NPS 16 Side Valve in Quebec.	492 000
Westcoast Energy Inc.	File: 3400-W005-353 Order: XG-W005-27-2005	Application dated 13 June 2005; approved on 10 August 2005. Deactivate 32.8 kilometres of the Fort St. John Mainline and 1.2 kilometres of the Fort St. John Loop and install barrels associated with the deactivation.	2 970 000

Oil Pipelines

<i>Applicant</i>	<i>File/Order</i>	<i>Application</i>	<i>Est. Cost</i>
Enbridge Pipelines Inc.	File: 3400-E101-71 Order: XO-E101-09-2005	Application dated 10 June 2005; approved on 5 August 2005. Add or replace pressure transmitters at six sites.	842 200
	File: 3400-E101-70 Order: XO-E101-11-2005	Application dated 25 April 2005; approved on 12 August 2005. Eight projects.	2 347 800
	File: 3400-E101-70 Order: XO-E101-12-2005	Application dated 25 April 2005; approved on 19 August 2005. Replace sending traps and associated infrastructure.	1 062 000
Trans-Northern Pipelines Inc.	File: 3400-T002-73 Order: XO-T002-10-2005	Application dated 24 June 2005; approved on 11 August 2005. Replace a pipeline in Toronto, Ontario.	500 000

Appendix II

Other Filings

<i>Company</i>	<i>Date</i>	<i>Filing</i>
Windsor Storage Facility Joint Venture	27 July	File 4710-E083-2004 - 2004 Financial Statements.
Dome NGL Pipelines Ltd.	29 July	File 4710-D007-2004 - 2004 Financial Statements.
Centra Transmission Holdings, Inc.	5 August	File 4200-C293-1 - Tolls and Tariff effective 1 August 2005.
Plains Marketing Canada, L.P.	8 August	File 4775-P102-1-1 - Wascana Pipeline Petroleum Toll Schedule, Tariff No. 7.8.
Westcoast Energy Inc.	11 August	File 4750-W005-2005-2 - Quarterly Surveillance Report for the period ended 30 June 2005.
TransCanada PipeLines Limited	11 August	File 4750-T001-2005-2 - Quarterly Surveillance Report for the period ended 30 June 2005.
TransCanada PipeLines Limited B.C. System	11 August	File 4750-T054-2005-2 - Quarterly Surveillance Report for the period ended 30 June 2005.
Westcoast Energy Inc.	15 August	File 3400-W005-355 - Reactivate the Beg Pipeline between kilometre posts 0.0 and 5.36.
Westcoast Energy Inc.	16 August	File WEI-2005-01 - Notification of operation and maintenance activities - Tributary to Blueberry River Revetment, West Buick Pipeline.
Westcoast Energy Inc.	17 August	File 4775-W005-1-1 - Amendment of Article 11 of the General Terms and Conditions - Service to be effective 19 August 2005.
Westcoast Energy Inc.	19 August	File 3400-W005-341 - Leave to Open the Sikanni Re-injection Pipeline.
Many Islands Pipe Lines (Canada) Limited	19 August	File MIP-2005-01 - Notification of replacement of 260 metres of pipeline at the Bi-Provincial Lloydminster Upgrader.
Cochin Pipe Lines Ltd.	19 August	File 4710-C018-2004 - Financial and throughput results for the year ended 31 December 2004.
Gazoduc Trans Québec & Maritimes Inc.	23 August	File 3400-T028-39 - Add capacity and a supplementary cooling system at the Lachenaie Compressor Station.
Terasen Pipelines (Trans Mountain) Inc.	23 August	File 3400-T099- Cut-out and replace approximately six metres of pipeline between the Sumas Tank Farm and Sumas Station.
TransCanada PipeLines Limited	24 August	File 4775-T001-1-17 - Amendments to the Mainline Tariff which are effective 25 August 2005: 1) a new Non Renewable Firm Transportation (FT-NR) Toll Schedule which replaces the existing FT-NR Tolls Schedule; 2) a new FT-NR Pro-forma Contract which replaces the existing Pro-forma Contract; and 3) amendments to the Transportation Access Procedures.
Maritimes & Northeast Pipeline	25 August	File 4750-M124-2005-2 - Quarterly Surveillance Report for the second quarter ending 30 June 2005.
Terasen Pipelines (Trans Mountain) Inc.	25 August	File TTM-2005-03 - Notice of Operation and Maintenance Activities - Crossing of Marathon Creek near Valamout, British Columbia.

Appendix II

Other Filings (Continued)

Terasen Pipelines (Trans Mountain) Inc.	25 August	File TTM-2005-04 - Notice of Operation and Maintenance Activities - Crossing of Terry Fox Creek near Valamout, British Columbia.
Westcoast Energy Inc.	26 August	File 4775-W005-1-1 - Amendment of Toll Schedules effective 1 September 2005.
Westcoast Energy Inc.	26 August	File WEI-2005 - Notification of Operations and Maintenance Activities - Mainline replacement project located between kilometre posts 43.29 and 46.50 on the Southern Mainline.
Echoex Energy Inc.	26 August	File 3400-E135-1 - Leave to Open the Echoex Energy Natural Gas Pipeline.
Enbridge Pipelines Inc.	29 August	File ENB-2005-01 - Notification of Operation and Maintenance Activities - Upgrades at Glenavon Station in Saskatchewan.
Maritimes & Northeast Pipeline	30 August	File 3400-M124-17 - Leave to Open the Heritage Amherst Custody Transfer Meter Station.
Express Pipeline Ltd.	31 August	File 4775-E092-1-1 - Tariff No. 61 effective 1 September 2005.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of September 2005

Energy Market Assessment - Short-term Outlook for Canadian Crude Oil to 2006

On 9 September 2005, the Board published an Energy Market Assessment report entitled *Short-term Outlook for Canadian Crude Oil to 2006* which provides a short-term analysis on recent developments and emerging issues in the Canadian oil industry.

In providing an 18-month outlook on price, supply and markets for Canadian crude oil and petroleum products, the report concludes that Canadian oil

production is growing as a result of strong oil markets and significant investment in the oil sands and Newfoundland offshore. This production has sparked strong global economic growth and the associated demand for crude oil will continue to drive markets through 2006, keeping oil prices high. Products shortages, adverse weather and crude supply interruption are likely to continue to place upward pressure on prices.

Public Hearing Applications

Hearing in Progress

1. *Westcoast Energy Inc. (WEI) - Transportation Service Enhancements - RHW-1-2005 (File 4200-W005-18)*

The Board is holding a written public hearing on an application by WEI for approval of certain Firm Transportation Service enhancements in Zone 3

(Mainline north) and Zone 4 (Mainline south). WEI stated in its application that in the past few years increasing amounts of firm service have not been re-contracted in Zones 3 and 4. WEI believes that the implementation of certain enhancements to the firm services offered in Zones 3 and 4 will increase the value of firm service to both existing and potential shippers and encourage higher levels of firm contracting.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

"We promote Safety and Security, Environmental Protection and Economic Efficiency"

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Hearings Scheduled

1. *Chevron Canada Limited (Chevron Canada) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) - Priority Destination - MH-2-2005 (Files 4755-T099-3 and 4755-T099-4)*

The Board will hold a public hearing commencing on 5 December 2005 in Calgary on two applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system. The first application is for delivery of crude oil by Chevron Canada, and the second application is for delivery of isooctane by Chevron/Neste.

Chevron Canada is requesting a priority designation for the unapportioned delivery from Edmonton to Burnaby of up to 5 500 cubic metres per day of crude oil during periods that nominations would otherwise be apportioned. Chevron/Neste are requesting priority designation of unapportioned delivery from Edmonton to Burnaby of up to 2 400 cubic metres per day of isooctane during periods that nominations would otherwise be apportioned.

The Board held a public hearing on 14 September 2005 in Calgary on a Notice of Motion dated 31 August 2005 from Tesoro Canada Supply & Distribution Ltd. Tesoro was seeking a number of forms of relief, including an order directing the Applicants to respond to a number of Tesoro's information requests, a revision of the procedural schedule to allow for the provision and consideration of the responses to the information requests and a stay in the proceedings until the motion is disposed of.

2. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties - Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited, Mackenzie Valley Aboriginal Pipeline Limited Partnership,

Imperial Oil Resources Limited, ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited.

On 15 September 2005, the Proponents of the Mackenzie Gas Project informed the NEB and the Joint Review Panel for the Mackenzie Gas Project (JRP) that "while progress has been made, certain key areas remain unresolved. Benefits and access agreements have not been concluded and the fiscal framework for the project has not been agreed to with governments. The proponents believe that additional time is warranted to determine if these outstanding matters can be resolved. In view of this, the project proponents will advise the NEB and the JRP in November 2005 of our willingness to proceed with a public hearing."

The Mackenzie Gas Project includes a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station.

Proposed Application

1. *Terasen Pipelines (Trans Mountain) Inc. (Terasen) - TMX Anchor Loop (File 3200-T099-1)*

On 27 September 2005, Terasen filed a revised project description of a proposal to loop a portion of its existing Trans Mountain oil pipeline system. This project, referred to as the TMX Anchor Loop, involves the construction of 158 kilometres pipeline between a location west of Hinton, Alberta to a location near Jackman Hill, British Columbia. The proposed TMX Anchor Loop would also include the installation of new pump stations at Wolf, Alberta and Chappel, British Columbia.

Pending regulatory approvals, construction of the TMX Anchor Loop is scheduled to begin in mid-2007, with completion of construction in the third quarter of 2008. Terasen expects to submit regulatory applications at the end of 2005.

Non-Public Hearing Applications

Electricity Matters

Matters Pending

1. *ENMAX Energy Marketing Inc. (ENMAX) - Electricity Export (File 6200-E139-2)*

On 15 June 2005, ENMAX applied for permits to export up to 400 megawatts of firm power and up to 1 000 megawatts of interruptible power and up to 3 504 gigawatt hours per year of firm energy and up to 8 760 gigawatt hours of interruptible energy per year for a period of 10 years.

2. *Manitoba Hydro - Electricity Export (File 6200-M020-17)*

On 7 April 2005, Manitoba Hydro applied for permits to export up to 3 250 megawatts of firm and/or interruptible power and up to 25 434 gigawatt hours of firm and/or interruptible energy per year for a period of five years. The application, in part, represents a renewal of existing Export Permits EPE-45 and EPE-46 which expire on 31 October 2005.

Frontier Matters

Matters Completed

1. *Paramount Resources Ltd. - Well Termination Records*

On 6 September 2005, Paramount received approval, pursuant to sub-section 203(1) of the *Canada Oil and Gas Drilling Regulations*, of the Well Termination Records for the wells Cameron L-47, Cameron D-49, Cameron M-49, Cameron C-16, Cameron H-03, Cameron H-58, Cameron 2F-73, Cameron I-16 and Cameron 2M-73.

2. *Paramount Resources Ltd. - Alter the Condition of a Well*

On 22 September 2005, Paramount received approval, pursuant to the *Canada Oil and Gas Production and Conservation Regulations* (COGPCR), to alter the condition of the well Fort Liard O-35.

3. *Paramount Resources Ltd. - Alter the Condition of a Well*

On 26 September 2005, Paramount received approval, pursuant to the COGPCR, to alter the condition of the well Cameron F-19.

Gas Matter

Matter Pending

1. *EnCana Corporation (EnCana) - Replacement of a Gas Sale Agreement - Licences GL-284 and GL-285 (Files 7200-E112-1-1 and 7200-E112-1-2)*

On 23 December 2004, EnCana applied for approval of a gas sale agreement entitled the *Cross-Border Commodity Purchase & Sale Agreement* that would replace the original gas sale agreement dated 1 January 1994 underpinning natural gas export Licences GL-284 and GL-285. Under these licences, EnCana is authorized to export approximately 1.6 billion cubic metres and 1.0 billion cubic metres of natural gas, respectively, in any consecutive 12-month period ending 31 October. On 3 February 2005, the Board sent a letter to EnCana requesting additional information.

Pipeline Matters

Matters Completed

1. *Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Amendments to Board Order XG-M124-60-2002 (File 3400-M124-14-1)*

On 27 July 2005, M&NP applied for approval to amend several conditions in Order XG-M124-60-2002 so as to permit M&NP to utilize the Order to construct and operate the compressor units at the same locations to facilitate the transportation of regasified liquefied natural gas (LNG) for Anadarko Petroleum Corporation commencing in 2008.

On 22 September 2005, the Board decided to amend only the condition to extend the termination date of the Order for three years to 31 December 2008. The Board also decided to defer consideration of the proposed amendments to the other conditions until after M&NP has filed its engineering and hydraulic studies and other updated information associated with those studies.

On 18 November 2002, the Board issued Order XG-M124-60-2002, as a result of hearing GH-3-2002, to M&NP to construct four compressor units which would have been required to fulfill the transportation requirements of natural gas from the proposed Deep Panuke Project. M&NP informed the Board that it had recently executed a Precedent Agreement with Anadarko Petroleum

Corporation to transport 813 000 MMBtu per day of natural gas from the proposed LNG terminal near Point Tupper, Nova Scotia over at least 20 years expected to commence in 2008. M&NP expects to file a section 52 application for facilities required to provide for Anadarko's transportation requirements. The LNG expansion will be designed on the basis that the compression facility and site related approvals, which are the subject of the Order XG-M124-60-2002, will remain in effect. This will allow M&NP to install compression facilities required to transport the regasified LNG for Anadarko at these same compressor sites by early 2008.

2. Section 58 Applications

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matters Pending

3. Canadian Natural Resources Limited (CNRL) - Shekilie Gas Pipeline (File AF-CNR 2005-01)

On 29 September 2005, CNRL applied for approval to construct a 9.0 kilometre, 168.3 millimetre, sweet natural gas pipeline commencing at a riser adjacent to an existing CNRL wellsite located at d-55- H/94-I-16 in northern British Columbia and ending at a tie-in point adjacent to the proposed TransCanada PipeLines Limited meter station located at 14-02-114-12 W6M in Alberta. CNRL proposes to construct the pipeline in the winter of 2005-2006 and the proposed in-service date is the first quarter of 2006. The estimated cost of the pipeline is \$2,250,000.

4. EnCana Oil & Gas Co. Ltd. on behalf of the EnCana Oil & Gas Partnership (EnCana) - Mid-Tupper Pipeline (File 3400-E126-3)

On 12 August 2005, EnCana applied to construct a sour natural gas pipeline and a sweet natural gas pipeline each extending 3.8 kilometres from an existing EnCana pipeline hub located at d-33-I/93-P-8 in British Columbia to tie-in points adjacent to the existing EnCana compressor station located at 15-31-74-13 W6M in Alberta. Construction of the proposed pipelines is planned for the fall of 2005 and the proposed in-service date is scheduled for the first quarter of 2006. The estimated cost of the pipelines is \$1.6 million.

5. Terasen Pipelines (Trans Mountain) Inc. (Terasen) - Capacity Expansion (File 3400-T099-13)

In an application dated 12 July 2005, as amended on 2 and 30 September 2005, Terasen applied for approval to increase the capacity of the Trans Mountain pipeline system from 35 770 cubic metres per day (225,000 barrels per day) to 41 330 cubic metres per day (260,000 barrels per day). The facilities required for the project include the construction of 11 pump stations, modifications to three existing pump stations, and modifications of pump internals at eight existing stations between Edmonton, Alberta and Burnaby, British Columbia. The construction of the project is proposed for 2006 with a proposed in-service date of April 2007. The estimated cost of the project is \$198 million.

6. TransCanada PipeLines Limited (TCPL) - Les Cèdres Loop (File 3400-T001-238)

On 28 February 2005, TCPL applied for approval to construct 21.3 kilometres of pipeline loop from mainline valve 147A in the Municipality of Saint-Télesphore, Quebec to mainline valve 148 in the Municipality of Les Cèdres, Quebec (Les Cèdres Loop). The proposed Les Cèdres Loop, together with the capacity provided by the existing mainline facilities, will be needed to enable TCPL to transport the natural gas required for a new gas-fired cogeneration plant being constructed at Bécancour, Quebec. The estimated cost of the project is \$44.1 million and the proposed in service date is 1 November 2006.

7. TransCanada PipeLines Limited (TCPL) - Deux Rivières and Stittsville Loops (File 3400-T001-249)

On 16 September 2005, TCPL applied for approval to construct 37.8 kilometres of 1 064 millimetre (42 inch) loops on its North Bay Shortcut in two sections, as follows:

- 18.1 km from MLV 1205 + 11.6 km to MLV 1206 (the "Deux Rivières Loop")
- 19.7 km from MLV 1216 + 10.3 km to MLV 1217 (the "Stittsville Loop").

The proposed facilities, together with the capacity provided by the existing Mainline facilities, and by the Les Cèdres Loop proposed in TCPL's application dated 28 February 2005, will be needed to transport its forecasted total requirements for the Montreal Line and North Bay Shortcut for the

operating year commencing 1 November 2006. TCPL plans to begin construction in July 2006. The estimated cost of the proposed facilities is \$99.3 million.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. *TransCanada PipeLines Limited (TCPL) - Resolutions of the 2005 Toll Task Force (Files 4775-T001-1-2005, 4775-T001-1-20 and 4775-T001-1-21)*

On 6 September 2005, the Board approved the resolutions described below.

Resolution No.	Subject
19.2005	Amend the Alternate Receipt Points (ARP) feature of the Firm Transportation service. Purpose - amends two aspects of ARP to change the effective date from 1 November 2005 to 1 October 2005 and amend the fuel provisions such that a Shipper may provide fuel at any point set out in Shipper's Firm Transportation contract and/or at any valid Alternate Receipt Point for Shipper's contract.
20.2005	Amend the Mainline FT-Risk Alleviation Mechanism (FT-RAM). Purpose - extend the FT-RAM pilot for a period of one year commencing 1 November 2005 and ending 31 October 2006. TCPL also applied for an amendment to the Interim Transportation Toll Schedule to give effect to the extension.

Matters Pending

2. *Centra Transmission Holdings Inc. (Centra) - Interim Tolls (File 4200-C293-1)*

On 6 September 2005, Centra applied for approval of interim tolls until such time as the Board has completed its review of Centra's application dated 5 August for final tolls effective 1 August 2005.

On 9 September 2005, the Board decided that the existing tolls, those in effect on 31 July 2005, will remain interim effective 1 September 2005. The Board sought comments from parties on the application for final tolls effective 1 August 2005.

3. *TransCanada PipeLines Limited (TCPL) - Resolution of the 2005 Toll Task Force (File 4775-T001-1-19)*

On 26 July 2005, TCPL applied for approval of the resolution described below.

Resolution No.	Subject
16.2005	Great Lakes Gas Transmission Contracts. Purpose - to establish a subcommittee of the Toll Task Force to discuss the November 2006 renewal of TCPL's gas transportation contracts with Great Lakes Gas Transmission commencing 1 November 2006.

4. *Trans-Northern Pipelines Inc. (TNPL) - 2005 Tolls (File 4200-T002-12)*

On 1 March 2005, TNPI applied for approval of final tolls for 2005 effective 1 January 2005. TNPI stated that its transportation revenue requirement for 2005 will increase to approximately \$60.2 million as compared to the calculated transportation requirement of \$35.9 million in 2004. Average tolls for 2005 will decrease by 0.6 percent as compared to those approved for 2004.

On 9 March 2005, the Board approved an application dated 7 March 2005 to continue to charge the interim tolls which were approved by Order TOI-4-2005 until such time as final tolls for 2005 are approved.

On 17 March 2005, the Board sought comments of interested parties on the application. On 31 March 2005, Ultramar Ltd. filed comments in which it indicated that it remained of the view that the cost overrun associated with the capacity expansion and line reversal project (OH-1-2003 Reasons for Decision) is unacceptable and that a more detailed examination of TNPI's application is necessary.

On 14 July 2005, Ultramar informed the Board that the parties are continuing their discussions on this matter.

5. *Gazoduc Trans Québec & Maritimes Inc. (TQM) - 2005 Tolls (File ATT-A-TQM 016)*

On 23 September 2005, TQM applied for approval of final tolls for the year 2005. On 24 December 2004, the Board had approved interim tolls effective 1 January 2005. TQM is requesting approval of a Net Revenue Requirement of \$ 86,481,000.

Appeals

Appeals Pending

1. *Sumas Energy 2, Inc. (SE2) - Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia. On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

The appeal will be heard in Vancouver commencing on 7 November 2005.

2. *Flint Hill Resources - Application for Leave to Appeal - RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc. to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Flint Hill Resources also filed a Notice of Motion with the Court seeking an extension of time, until 30 days following the release of the Board's Reasons for Decision in RH-1-2005, to seek leave to appeal on any additional grounds.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99) and the National Energy Board Processing Plant Regulations (PPR)*

The Board intends to amend the above regulations to require companies under its jurisdiction to develop and implement a pipeline security management program.

As an interim step, prior to the promulgation of amendments to these regulations, the Board provided companies with a Notice of Proposed Regulatory Change (NOPRC). The NOPRC describes the proposed changes to the regulations. Once all of the comments are received regarding the NOPRC, the Board will release a Proposed Regulatory Change (PRC). The PRC will form a basis for the Board's interim pipeline security management expectations prior to any changes regarding security to the OPR-99 or PPR.

2. *Information to be Furnished by Applicants to Import Liquefied Natural Gas (LNG)*

On 20 September 2005, the Board issued the final document to supplement the requirements of the Board's *Filing Manual* of April 2004 and the

National Energy Board Act Part VI (Oil and Gas) Regulations concerning imports of LNG.

3. *Cost Recovery Regulations - Electricity - Review (File 175-A000-72-2)*

The Board has decided to undertake a review of the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders. As part of the review, the Board held workshops on 9 December 2004 in Calgary and on 2 June 2005 in Montréal.

On 21 July 2005, the Board made public a report entitled *Electricity Cost Recovery Alternatives* prepared by Chymko Consulting Ltd. The Board engaged Chymko as a cost recovery consultant to provide assistance in a review of the electricity cost recovery regulations. As part of the project, Chymko was asked to research electricity cost recovery methodologies of other countries and Canadian jurisdictions and provide a written report to that effect. On 4 August 2005, the Board published the summary report of the workshop held in June 2005.

4. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it has completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

5. Goal-oriented Drilling and Production Regulations (D&PR)

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board and the Department of Indian Affairs and Northern Development. These

agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the Offshore Accord Acts.

The intent of the current project is to have goal-oriented D&PR in force by approximately the end of 2006. The goal-oriented D&PR project will build on draft D&PR that were developed as part of a previous project in 2000; however, several circumstances combined to delay the previous project and prevent those draft D&PR from coming into force.

6. Canada Oil and Gas Diving Regulations and Guidance Notes

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

7. The Canada Oil and Gas Geophysical Operations Regulations

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Scheduled Energy Market Assessments (EMA) 2005-2006

1. Short-term outlook for Natural Gas and NGLs to 2006

This EMA will examine supply, demand, inventories, prices, etc., of natural gas and natural gas liquids from 2000 and provide an outlook to 2006. The report is expected to be released in October 2005.

2. Short-term Canadian Natural Gas Deliverability, 2005-2007

This EMA will examine the factors which affect Canadian natural gas supply in the short-term and present an outlook for deliverability through to the year 2007. Factors examined include trends in industry activity and the production characteristics of gas wells. The report is expected to be released in October 2005.

3. Natural Gas for Power Generation: Issues and Implications

This EMA will examine the fastest growing segment of the North American natural gas market with

emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in December 2005.

4. Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential

The NEB and the British Columbia Ministry of Energy and Mines will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in January 2006.

5. Renewable and Alternative Sources of Power

This EMA will address alternative and renewable technologies. Interest in alternative and renewable technologies, such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible supplemental energy sources continue to grow in Canada. Demand reduction (or demand response) programs may also be considered an energy source. The report is expected to be released in February 2006.

Instructions for Filing

Correspondence

All correspondence should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8
Fax: (403) 292-5503.

Applications and other filings - number of copies to be filed

You may submit your application and other filings to the Board in one of two ways:

1. Electronically: use the *Submit a Document* option on our Web site and mail (see address above) or fax one (1) copy of your documents, or
2. mail twenty-five (25) copies of your documents.

Additional information on filings

Filings and types of documents that can be filed electronically and creating PDF documents: see *Filer's Guide to Electronic Submission* (http://www.neb-one.gc.ca/efile/guide_e.pdf).

Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

Templates providing alternative ways to file your documents and assistance with the provision of multiple copies due to undue financial burden: see *Can't Submit Your Document Electronically? Procedure for Sending Hard Copies* (http://www.neb-one.gc.ca/efile/forms/paper_e.htm).

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Appendix I

Section 58 Applications

Gas Pipelines

<i>Applicant</i>	<i>File/Order</i>	<i>Application</i>	<i>Est. Cost</i>
EnCana Oil & Gas Partnership	File: 3400-E126-2 Order: XG-E126-36-2005	Application dated 11 July 2005; approved on 22 September 2005. Construct the 5.4 kilometre Tupper South Pipeline Loop crossing the British Columbia – Alberta border.	2 000 000
Westcoast Energy Inc.	File: 3400-W005-352 Order: XG-W005-33-2005	Application dated 2 June 2005; approved on 1 September 2005. Reactivate the Monias Booster Station in British Columbia.	3 575 000
	File: 3400-W005-354 Order: XG-W005-34-2005	Application dated 27 June 2005; approved on 19 September 2005. Deactivate 11.2 kilometres of the Murray River Pipeline and 4.8 kilometres of the Sukunka Pipeline.	268 000
	File: 3400-W005-355 Order: XG-W005-35-2005	Application dated 15 August 2005; approved on 21 September 2005. Reactivate a portion of the Beg Pipeline between kilometre post 0.0 and kilometre post 5.36 northwest of Fort St. John, British Columbia.	600 000

Oil Pipelines

<i>Applicant</i>	<i>File/Order</i>	<i>Application</i>	<i>Est. Cost</i>
Montreal Pipe Line Limited	File: 3400-M003-30 Order: XO-M003-13-2005	Application dated 26 July 2005; approved on 30 September 2005. Deactivate a by-pass line across the Richelieu River in Quebec.	14 888

Appendix II

Other Filings

<i>Company</i>	<i>Date</i>	<i>Filing</i>
TransCanada PipeLines Limited	12 September	File TCP-2005-02 - Notification of Operations and Maintenance Activities - Remediate some soils contaminated with polychlorinated biphenyls at the backchannel which flows into Hamilton Creek at Compressor Station 92.
Westcoast Energy Inc.	13 September	File 3400-W005-315-2 - Replace existing meters on the Goodrich Re-injection Pipeline.
Westcoast Energy Inc.	13 September	File 3400-W005-356 - Replace existing meters on the Kwoen Re-injection Pipeline.
Terasen Pipelines (Trans Mountain) Inc.	13 September	Files 4775-T099 - Filing of Petroleum Tariff No. 58 and Refined Petroleum Tariff RP 26.
Wascana Pipeline	14 September	File 4775-P102-1-1 – Filing of Petroleum Tariff No. 7.9.
Cochin Pipe Lines Ltd.	15 September	File CPL 2005/01 - Notification of Operation and Maintenance Activities - Replace a 37 metre long section of pipe in the Astotin Creek near Fort Saskatchewan, Alberta.
Duke Energy Marketing Canada Ltd.	15 September	File 6200-D064-1-1 - Request to revoke electricity export permits EPE-135 and EPE-136.
Duke Energy Gas Transmission	16 September	File AF-CC-DEG-2005-001 - 806026 Alberta Ltd., change of name to DEGT Midstream Management Corporation.
Alliance Pipeline Ltd.	16 September	File AF-NSA-ALL-2004/AR - Capital Projects under Streamlining Order XG/XO-100-2002 for the year 2004.
Westcoast Energy Inc.	20 September	File 4775-W005-1-1 - Amendments to Pipeline Tariff - General Terms and Conditions, Article 1 (Definitions and Interpretation) and Article 4 (Shipper Notifications, Nominations, Authorization of Service and Deliveries of Gas) effective 22 September 2005.
Souris Valley Pipeline Limited	22 September	File 3400-S161-3 - Application for Leave to Open the Midale Metering Station.
Foothills Pipe Lines Ltd.	26 September	File 4775-F006 - Amendments to interruptible service and short term firm transportation service in Zone 9 as well as consequential Tariff amendments effective 1 November 2005.
Westcoast Energy Inc.	28 September	File 4775-W005-1-1 - Framework for Light-handed Regulation, amendment of Toll Schedules effective 1 October 2005.
Express Pipeline Ltd.	30 September	File ATT-TTC-EPL 01 - Filing of NEB Tariff No. 63 effective 1 October 2005.
Terasen Pipelines (Trans Mountain) Inc.	30 September	File 3400-T099-13 - Amendments to the Capacity Expansion Project application dated 12 July 2005.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of October 2005

Energy Market Assessment

On 31 October 2005, the Board issued an Energy Market Assessment entitled *Short-term Canadian Natural Gas Deliverability 2005-2007*. The report provides an outlook of natural gas deliverability

from the Western Canada Sedimentary Basin and east coast offshore through to the end of 2007. The report is available on the Board's Web site at www.neb-one.gc.ca.

Public Hearing Applications

Hearing in Progress

1. *Westcoast Energy Inc. (WEI) - Transportation Service Enhancements - RHW-1-2005 (File 4200-W005-18)*

The Board is holding a written public hearing on an application by WEI for approval of certain Firm Transportation Service enhancements in Zone 3 (Mainline north) and Zone 4 (Mainline south). WEI stated in its application that in the past few years increasing amounts of firm service have not been re-contracted in Zones 3 and 4. WEI believes that the implementation of certain enhancements to the firm services offered in Zones 3 and 4 will increase the value of firm service to both existing and potential shippers and encourage higher levels of firm contracting.

Hearings Scheduled

1. *Chevron Canada Limited (Chevron Canada) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) - Priority Destination - MH-2-2005 (Files 4755-T099-3 and 4755-T099-4)*

The Board will hold a public hearing commencing on 5 December 2005 in Calgary on two applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system. The first application is for delivery of crude oil by Chevron Canada, and the second application is for delivery of isooctane by Chevron/Neste.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety and
Security, Environmental
Protection and Economic
Efficiency"**

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Chevron Canada is requesting a priority designation for the unapportioned delivery from Edmonton to Burnaby of up to 5 500 cubic metres per day of crude oil during periods when nominations would otherwise be apportioned. Chevron/Neste are requesting priority designation of unapportioned delivery from Edmonton to Burnaby of up to 2 400 cubic metres per day of isooctane during periods when nominations would otherwise be apportioned.

The Board held a public hearing on 14 September 2005 in Calgary on a Notice of Motion dated 31 August 2005 from Tesoro Canada Supply & Distribution Ltd. Tesoro was seeking a number of forms of relief, including an order directing the Applicants to respond to a number of Tesoro's information requests, a revision of the procedural schedule to allow for the provision and consideration of the responses to the information requests and a stay in the proceedings until the motion is disposed of. On 5 October 2005, the Board issued its decision on the Notice of Motion.

2. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties - Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

The Board will hold a Pre-hearing Planning Conference in the Northwest Territories during the weeks of 5 and 12 December 2005. The purpose of the Conference will be to:

- provide information on the NEB's role throughout the lifecycle of a pipeline and on the NEB hearing process for the MGP project; and
- hear parties' views on shaping certain parts of the NEB hearing process to meet the needs of the participants.

Persons can participate in the Conference by sending in written comments, speaking with NEB staff or attending one of the following four sessions: Inuvik (5 December), Yellowknife (7 December), Fort Good Hope (12 December), and Fort Simpson (13 December).

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are

Imperial Oil Resources Ventures Limited, Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited, ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited.

On 15 September 2005, the Proponents of the Mackenzie Valley Project informed the NEB and the Joint Review Panel (JRP) for the Mackenzie Gas Project that "while progress has been made, certain key areas remain unresolved. Benefits and access agreements have not been concluded and the fiscal framework for the project has not been agreed to with governments. The proponents believe that additional time is warranted to determine if these outstanding matters can be resolved. In view of this, the project proponents will advise the NEB and the JRP in November 2005 of our willingness to proceed with a public hearing."

The Mackenzie Gas Project includes a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station.

Proposed Application

1. *Terasen Pipelines (Trans Mountain) Inc. (Terasen) - TMX Anchor Loop (File 3200-T099-1)*

On 27 September 2005, Terasen filed a revised project description of a proposal to loop a portion of its existing Trans Mountain oil pipeline system. This project, referred to as the TMX Anchor Loop, involves the construction of 158 kilometres of pipeline between a location west of Hinton, Alberta to a location near Jackman Hill, British Columbia. The proposed TMX Anchor Loop would also include the installation of new pump stations at Wolf, Alberta and Chappel, British Columbia.

Pending regulatory approvals, construction of the TMX Anchor Loop is scheduled to begin in mid-2007, with completion of construction in the third quarter of 2008. Terasen expects to submit regulatory applications at the end of 2005.

Non-Public Hearing Applications

Electricity Matters

Matters Completed

**1. Draft Electricity Filing Manual
(File 2200-A000-7)**

On 20 October 2005, the Board issued for public comment a draft of its *Electricity Filing Manual* which outlines the information applicants need to provide to the Board when filing an electricity facility application for an international power line. The manual is a tool to assist applicants who file an election to have federal laws apply. It has been developed in an effort to increase efficiency and will complement the Board's mandate to promote goal-oriented regulation.

**2. ENMAX Energy Marketing Inc. (ENMAX) -
Electricity Export (File 6200-E139-2)**

On 7 October 2005, the Board approved an application dated 15 June 2005 from ENMAX for permits to export up to 400 megawatts and up to 3 504 gigawatt hours of firm power and energy, respectively, and up to 8 760 gigawatt hours per year of interruptible energy per year for a period of 10 years.

**3. Manitoba Hydro - Electricity Export
(File 6200-M020-17)**

On 27 October 2005, the Board approved an application dated 7 April 2005 from Manitoba Hydro for permits to export up to 3 250 megawatts of firm and/or interruptible power and up to 25 434 gigawatt hours of firm and/or interruptible energy per year ending 31 October 2010.

Matter under Consideration

**4. SILVERHILL LTD. (SILVERHILL) –
Electricity Export (File AE-P-SHL 01)**

On 24 October 2005, SILVERHILL applied for permits to export up to 4 380 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

Frontier Matters

Matters Completed

**1. Paramount Resources Ltd. - Alter the Condition
of a Well**

On 14 October 2005, Paramount was given approval pursuant to sub-section 203(1) of the *Canada Oil and Gas Production and Conservation Regulation* to alter the condition of the well Liard K-29A.

**2. Husky Oil Operations - Geological, geophysical
or geotechnical operations**

On 21 October 2005, Husky Oil was given approval pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act* for its Central Mackenzie Area Aerogravity Survey.

Gas Matter

Matter Pending

**1. EnCana Corporation (EnCana) - Replacement
of a Gas Sale Agreement - Licences GL-284 and
GL-285 (Files 7200-E112-1-1 and
7200-E112-1-2)**

On 23 December 2004, as amended on 26 October 2005, EnCana applied for approval of a gas sale agreement entitled the *Cross-Border Commodity Purchase & Sale Agreement* that would replace the original gas sale agreement dated 1 January 1994 underpinning natural gas export Licences GL-284 and GL-285. Under these licences, EnCana is authorized to export approximately 1.6 billion cubic metres and 1.0 billion cubic metres of natural gas, respectively, in any consecutive 12-month period ending 31 October. On 3 February 2005, the Board sent a letter to EnCana requesting additional information.

Pipeline Matters

Matter Completed

1. Section 58 Applications

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matters Pending

2. Canadian Natural Resources Limited (CNRL) - Shekile Gas Pipeline (File AF-CNR 2005-01)

On 29 September 2005, CNRL applied for approval to construct a 9.0 kilometre, 168.3 millimetre, sweet natural gas pipeline commencing at a riser adjacent to an existing CNRL wellsite located at d-55-H/94-I-16 in northern British Columbia and ending at a tie-in point adjacent to the proposed TransCanada PipeLines Limited meter station located at 14-02-114-12 W6M in Alberta. CNRL proposes to construct the pipeline in the winter of 2005-2006 and the proposed in-service date is the first quarter of 2006. The estimated cost of the pipeline is \$2,250,000.

3. EnCana Oil & Gas Co. Ltd. on behalf of the EnCana Oil & Gas Partnership (EnCana) - Mid-Tupper Pipeline (File 3400-E126-3)

On 12 August 2005, EnCana applied to construct a sour natural gas pipeline and a sweet natural gas pipeline each extending 3.8 kilometres from an existing EnCana pipeline hub located at d-33-I/93-P-8 in British Columbia to tie-in points adjacent to the existing EnCana compressor station located at 15-31-74-13 W6M in Alberta. Construction of the proposed pipelines is planned for the fall of 2005 and the proposed in-service date is scheduled for the first quarter of 2006. The estimated cost of the pipelines is \$1.6 million.

4. Nexen Inc. - Construct the Cuthbert Gas Pipeline (File AFP-NXI 2005 001)

On 7 October 2005, Nexen Inc. applied for approval to construct a 1.3 kilometre natural gas pipeline commencing at an existing Nexen wellsite located at LSD 16-24-26-1 W4M in Alberta and ending at a pipeline header tie-in located at LSD 15-21-26-29 W3M in Saskatchewan. The pipeline would cross the border south of Alsask, Saskatchewan and west of Oyen, Alberta. The proposed construction of the pipeline would

occur in late November or December 2005 and the proposed in-service date is January 2006. The estimated cost of the pipeline is \$357,000.

5. Terasen Pipelines (Trans Mountain) Inc. (Terasen) - Capacity Expansion (File 3400-T099-13)

In an application dated 12 July 2005, as amended on 2 and 30 September 2005, Terasen applied for approval to increase the capacity of the Trans Mountain pipeline system from 35 770 cubic metres per day (225,000 barrels per day) to 41 330 cubic metres per day (260,000 barrels per day). The facilities required for the project include the construction of 11 pump stations, modifications to three existing pump stations, and modifications of pump internals at eight existing stations between Edmonton, Alberta and Burnaby, British Columbia. The construction of the project is proposed for 2006 with a proposed in-service date of April 2007. The estimated cost of the project is \$198 million.

6. TransCanada PipeLines Limited (TCPL) - Les Cèdres Loop (File 3400-T001-238)

On 28 February 2005, TCPL applied for approval to construct 21.3 kilometres of pipeline loop from mainline valve 147A in the Municipality of Saint-Télesphore, Quebec to mainline valve 148 in the Municipality of Les Cèdres, Quebec (Les Cèdres Loop). The proposed Les Cèdres Loop, together with the capacity provided by the existing mainline facilities, will be needed to enable TCPL to transport the natural gas required for a new gas-fired cogeneration plant being constructed at Bécancour, Quebec. The estimated cost of the project is \$44.1 million and the proposed in service date is 1 November 2006.

7. TransCanada Pipelines Limited (TCPL) - Deux Rivières and Stittsville Loops (File 3400-T001-249)

On 16 September 2005, TCPL applied for approval to construct 37.8 kilometres of 1 064 millimetre (42 inch) pipeline loops on its North Bay Shortcut in two sections, as follows:

- 18.1 km from MLV 1205 + 11.6 km to MLV 1206 (the "Deux Rivières Loop")
- 19.7 km from MLV 1216 + 10.3 km to MLV 1217 (the "Stittsville Loop").

The proposed facilities, together with the capacity provided by the existing Mainline facilities,

and by the Les Cèdres Loop proposed in TCPL's application dated 28 February 2005, will be needed to transport its-forecasted total requirements for the Montreal Line and North Bay Shortcut for the operating year commencing 1 November 2006. TCPL plans to begin construction in July 2006. The estimated cost of the proposed facilities is \$99.3 million.

Traffic, Tolls and Tariffs Matters

Matter Completed

1. *Trans Québec & Maritimes Pipeline Inc. (TQM) - 2005 Tolls (File ATT-A-TQM 016)*

On 5 October 2005, the Board approved an application dated 23 September 2005 from TQM for approval of final tolls for the year 2005.

Matters Pending

2. *Centra Transmission Holdings Inc. (Centra) - Interim Tolls (File 4200-C293-1)*

On 6 September 2005, Centra applied for approval of interim tolls until such time as the Board has completed its review of Centra's application dated 5 August 2005 for final tolls effective 1 August 2005.

On 9 September 2005, the Board decided that the existing tolls, those in effect on 31 July 2005, will remain interim effective 1 September 2005.

The Board sought comments from parties on the application for final tolls effective 1 August 2005.

3. *Trans-Northern Pipelines Inc. (TNPL) - 2005 Tolls (File 4200-T002-12)*

On 1 March 2005, TNPL applied for approval of final tolls for 2005 effective 1 January 2005. TNPL stated that its transportation revenue requirement for 2005 will increase to approximately \$60.2 million as compared to the calculated transportation requirement of \$35.9 million in 2004. Average tolls for 2005 will decrease by 0.6 percent as compared to those approved for 2004.

On 9 March 2005, the Board approved an application dated 7 March 2005 to continue to charge the interim tolls which were approved by Order TOI-4-2005 until such time as final tolls for 2005 are approved.

On 17 March 2005, the Board sought comments of interested parties on the application. On 31 March 2005, Ultramar Ltd. filed comments in which it indicated that it remained of the view that the cost overrun associated with the capacity expansion and line reversal project (OH-1-2003 Reasons for Decision) is unacceptable and that a more detailed examination of TNPL's application is necessary.

On 14 July 2005, Ultramar informed the Board that the parties are continuing their discussions on this matter.

Appeals

Appeals Pending

1. *Sumas Energy 2, Inc. (SE2) - Application for Leave to Appeal a Board Decision*

SE2 applied to the Federal Court of Appeal for leave to appeal the Board's 4 March 2004 decision in which it denied an application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia. On 16 July 2004, the Court granted SE2's application to appeal the Board's decision.

The appeal will be heard in Vancouver commencing on 7 November 2005.

2. *Flint Hill Resources - Application for Leave to Appeal - RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc. to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Flint Hill Resources also filed a Notice of Motion with the Court seeking an extension of time, until 30 days following the release of the Board's Reasons for Decision in RH-1-2005, to seek leave to appeal on any additional grounds.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99) and the National Energy Board Processing Plant Regulations (PPR)*

The Board intends to amend the above regulations to require companies under its jurisdiction to develop and implement a pipeline security management program. As an interim step, prior to the promulgation of amendments to these regulations, the Board provided companies with a Notice of Proposed Regulatory Change (NOPRC). The NOPRC describes the proposed changes to the regulations. Once all of the comments are received regarding the NOPRC, the Board will release a Proposed Regulatory Change (PRC). The PRC will form a basis for the Board's interim pipeline security management expectations prior to any changes regarding security to the OPR-99 or PPR.

2. *Cost Recovery Regulations - Electricity - Review (File 175-A000-72-2)*

The Board is reviewing the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders. As part of the review, the Board held workshops on 9 December 2004 in Calgary and on 2 June 2005 in Montréal. The Board will hold a meeting with interested parties on 16 January 2006 in Toronto on the process of defining the cost recovery concept to incorporate the various legislative requirements relevant to the Board.

3. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it has completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

4. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board and the Department of Indian Affairs and Northern Development. These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the *Offshore Accord Acts*.

The intent of the current project is to have goal-oriented D&PR in force by approximately the end of 2006. The goal-oriented D&PR project will build on draft D&PR that were developed as part of a previous project in 2000; however, several circumstances combined to delay the previous project and prevent those draft D&PR from coming into force.

5. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under Amendments to Regulations and Rules in the May 2001 issue of the *Regulatory Agenda*.

6. *The Canada Oil and Gas Geophysical Operations Regulations*

For more information on this matter, refer to item 6 under Amendments to Regulations in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Scheduled Energy Market Assessments (EMA) 2005-2006

1. Natural Gas for Power Generation: Issues and Implications

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in December 2005.

2. Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential

The NEB and the British Columbia Ministry of Energy and Mines will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in January 2006.

3. Renewable and Alternative Sources of Power

This EMA will address alternative and renewable technologies. Interest in alternative and renewable technologies, such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible supplemental energy sources continue to grow in Canada. Demand reduction (or demand response) programs may also be considered an energy source. The report is expected to be released in February 2006.

Instructions for Filing

Correspondence

All correspondence should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8
Fax: (403) 292-5503.

Applications and other filings - number of copies to be filed

You may submit your application and other filings to the Board in one of two ways:

1. Electronically: use the *Submit a Document* option on our Web site and mail (see address above) or fax one (1) copy of your documents, or
2. mail twenty-five (25) copies of your documents.

Additional information on filings

Filings and types of documents that can be filed electronically and creating PDF documents: see *Filer's Guide to Electronic Submission* (http://www.neb-one.gc.ca/efile/guide_e.pdf).

Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

Templates providing alternative ways to file your documents and assistance with the provision of multiple copies due to undue financial burden: see *Can't Submit Your Document Electronically? Procedure for Sending Hard Copies* (http://www.neb-one.gc.ca/efile/forms/paper_e.htm).

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Appendix I

Section 58 Applications

Oil Pipelines

<i>Applicant</i>	<i>File/Order</i>	<i>Application</i>	<i>Est. Cost</i>
Provident Energy Pipeline Inc.	File: 3400-P115-2 Order: XO-P115-14-2005	Application dated 20 June 2005; approved on 26 October 2005. Relocate and lower 300 metres of pipeline and remediate a slope of the Taylor to Boundary Lake Pipeline in British Columbia.	250 000

Appendix II

Other Filings

<i>Company</i>	<i>Date</i>	<i>Filing</i>
Enbridge Pipelines Inc.	6 October	File AF-NOMA-ENB-02 - Notification of Operation and Maintenance Activity - Exposure of the pipe surface for integrity assessments, repairs and replacement at KP 767.2755.
Trans Québec & Maritimes Pipeline Inc.	7 October	File ATT-TTC-TQM-01 - Revisions to toll schedules.
Enbridge Pipelines Inc.	10 October	File AFP-NOMA-ENB 2005 03 - Notification of Operations and Maintenance Activity - Stabilize the bank of the Rideau Canal at mile post 2070.74.
TransCanada PipeLines Limited	11 October	File ATT-TTC-TCP-01 - Filing of a revision to the List of Receipt and Delivery Points to add the Grand Coulee receipt point.
Maritimes & Northeast Pipeline Limited Partnership	11 October	File ATT-TTC-MNP 01 - Change in the Fuel Retainage Percentage from 0.08 to 0.5 percent effective 1 November 2005.
Enbridge Pipelines (Westspur) Inc.	13 October	File AFP-NOMA-ENW 2005-01 - Notification of Operation and Maintenance Activity - Replace approximately 300 metres of the existing 12 inch pipeline with a new 8 inch pipeline at the Alida Terminal.
Cochin Pipe Lines Ltd.	18 October	File AFP-NOMA-CPL 2005-02 - Notification of Operation and Maintenance Activity - Examine two joint sections of pipeline at Iskwao Creek, near Craik, Saskatchewan.
Express Pipeline Ltd	21 October	File ATT-TTC-EPL 01 - NEB Tariff No. 65 effective 23 October 2005.
Enbridge Pipelines Inc	26 October	File AFP-NOMA-ENB 2005-04 - Notification of Operation and Maintenance Activity - Replace discharge piping spool at the Strome Station.
Enbridge Pipelines Inc	26 October	File AFP-NOMA-ENB 2005-05 - Notification of Operation and Maintenance Activity - Replace piping at the Kiagman Station.
Enbridge Pipelines Inc	28 October	File AFP-NOMA-ENB 2005-07 - Notification of Operation and Maintenance Activity - Minor adjustment to Joshua Creek in Ontario.
Alliance Pipeline Ltd.	28 October	File ATT-TTC-ALL-01- Revised Tariff Sheets effective 1 January 2006.
Trans Quebec & Martimes Pipeline Inc.	31 October	File ATT-QSR-TQM 2005-03 - Quarterly Surveillance Report for the period ended 30 September 2005.
Cochin Pipe Lines Ltd.	31 October	File AFP-NOMA-CPL 03 - Notification of Operation and Maintenance Activity - Excavate and examine two sections of pipe at the Cottonwood Creek near Regina, Saskatchewan.
Westcoast Energy Inc.	31 October	File ATT-TTC-WEI 01- Light-handed Regulation, revised transportation toll schedules effective 1 November 2005.
Express Pipeline Ltd.	31 October	File ATT-TTC-EPL 01 - NEB Tariff No. 66 effective 1 November 2005.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of November 2005

NEB Signs a Memorandum of Understanding with the U.S. Pipeline and Hazardous Materials Safety Administration

The Board signed a Memorandum of Understanding (MOU) with the U.S. Pipeline and Hazardous Materials Safety Administration (formerly the U.S. Office of Pipeline Safety). The MOU provides for increased cooperation and information sharing between the two regulators.

The MOU sets the stage for increased compliance data sharing as well as staff exchanges and joint training opportunities. This should lead to more consistent application of regulatory compliance initiatives on both sides of the border. The MOU took effect on 1 November 2005 and will be revisited annually.

The Board believes that increased interaction and conscious sharing of best practices between

the U.S. and Canada will lead to a more uniform regulatory approach for cross border pipelines. In addition, interchanges between the two signatory agencies and joint participation in compliance monitoring and assessment activities will ultimately provide a benefit to all stakeholders through the evolution of a more rational approach to cross border regulation.

This MOU is part of the Security and Prosperity Partnership for North America, a trilateral agenda inaugurated on 23 March 2005 by Prime Minister Paul Martin, President Bush and Mexican President Vicente Fox to increase the security, prosperity, and quality of life in North America.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

"We promote Safety and Security, Environmental Protection and Economic Efficiency"

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Public Hearing Applications

Hearing Decision Rendered

1. ***Westcoast Energy Inc. (WEI) - Transportation Service Enhancements - RHW-1-2005 (File 4200-W005-18)***

The Board approved an application by WEI for approval of certain firm transportation service enhancements in Zone 3 (Mainline Transportation North) and Zone 4 (Mainline Transportation South). These service enhancements include term differentiated firm service tolls, authorized overrun service and daily cross-corridor crediting in Zone 3.

In the past few years, increasing amounts of firm service have not been re-contracted in Zones 3 and 4. The implementation of these enhancements to the firm services offered in Zones 3 and 4 are intended to increase the value of firm service to both existing and potential shippers and encourage higher levels of firm service contracting.

The Board held a written public hearing to consider the application.

Hearings in Progress

1. ***Coral Energy Canada Inc. (Coral) - TransCanada PipeLines Limited (TCPL) Firm Transportation Risk Alleviation Mechanism (FT-RAM) (File ATT-ATC-TCP23)***

The Board is holding a written public hearing on an application by Coral to modify the FT-RAM. FT-RAM is a transportation service enhancement being provided on a pilot basis by TCPL to its long-haul firm transportation (FT) shippers.

TCPL currently provides FT-RAM to FT long-haul shippers as a service enhancement which mitigates unabsorbed FT demand charges in an effort to attract and retain long-haul FT contracts on TCPL's main pipeline. Coral is proposing that the service be expanded to include certain short-haul contracts in circumstances where a shipper holds a long-haul FT contract which delivers to the same location as the receipt point of the short-haul FT contract.

2. ***Centra Transmission Holdings Inc. (Centra) - Tolls - RHW-3-2005 (File 4200-C293-1)***

The Board is holding a written public hearing on an application by Centra to change the tolls charged for transportation service on its pipeline system.

Centra owns a 97 kilometre pipeline in Manitoba between Winnipeg and Sprague, and a 90 kilometre pipeline in Ontario between Fort Frances and Rainy River. Centra sells natural gas to large users and distributors in Canada as well as to Centra Minnesota in the United States.

Hearings Scheduled

1. ***Chevron Canada Limited (Chevron Canada) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) - Priority Destination - MH-2-2005 (Files 4755-T099-3 and 4755-T099-4)***

The Board will hold a public hearing, at a time and location to be announced at a later date, on two applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system. The first application is for delivery of crude oil by Chevron Canada, and the second application is for delivery of isooctane by Chevron/Neste.

Chevron Canada is requesting a priority designation for the unapportioned delivery from Edmonton to Burnaby of up to 5 500 cubic metres per day of crude oil during periods when nominations would otherwise be apportioned. Chevron/Neste are requesting priority designation of unapportioned delivery from Edmonton to Burnaby of up to 2 400 cubic metres per day of isooctane during periods when nominations would otherwise be apportioned.

The Board held a public hearing on 14 September 2005 in Calgary on a Notice of Motion dated 31 August 2005 from Tesoro Canada Supply & Distribution Ltd. Tesoro was seeking a number of forms of relief, including an order directing the Applicants to respond to a number of Tesoro's information requests, a revision of the procedural schedule to allow for the provision and consideration of the responses to the information requests and a stay in the proceedings until the motion is disposed of. On 5 October 2005, the Board issued its decision on the Notice of Motion.

2. Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties - Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)

The Board will hold a Pre-hearing Planning Conference in the Northwest Territories during the weeks of 5 and 12 December 2005. The purpose of the Conference will be to:

- provide information on the NEB's role throughout the lifecycle of a pipeline and on the NEB hearing process for the MGP project; and
- hear parties' views on shaping certain parts of the NEB hearing process to meet the needs of the participants.

On 24 November 2004, the Board scheduled for public hearing five applications from Imperial Oil Resources Ventures Limited and other applicants for the Mackenzie Gas Project in Northern Canada. The proponents of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited, Mackenzie Valley Aboriginal Pipeline Limited Partnership, Imperial Oil Resources Limited, ConocoPhillips Canada (North) Limited, ExxonMobil Canada Properties and Shell Canada Limited.

The Mackenzie Gas Project includes a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station.

Hearing Application Filed

1. Sea Breeze Victoria Converter Corporation (Sea Breeze) - Construct an International Power Line (IPL) from Victoria, B.C. to Port Angeles, Washington (File AFIP-L-SBC-01)

The Board has received an application from Sea Breeze to construct and operate a 150 kilovolt high voltage direct current IPL. The IPL would extend a distance of approximately 47 kilometres southward from the Town of View Royal, British Columbia to a point on the international boundary in the Strait

of Juan de Fuca and from there to a point near Port Angeles. Approximately 12 kilometres will be onshore and the remainder in the Strait of Juan de Fuca. Sea Breeze also proposes to construct a converter station near existing substations on Vancouver Island. Commencement of construction of the proposed IPL is planned for November 2006.

It is anticipated that a hearing order establishing the procedures to be followed in the public hearing and the process for the public to participate in the hearing will be forthcoming from the Board early in 2006. It is also anticipated that the Board will conduct at least one public information session on its processes. The date and time of the information session(s) will be announced in local newspapers.

Proposed Hearing Applications

1. Terasen Pipelines (Trans Mountain) Inc. (Terasen) - TMX Anchor Loop (File 3200-T099-1)

On 27 September 2005, Terasen filed a revised project description of a proposal to loop a portion of its existing Trans Mountain oil pipeline system. This project, referred to as the TMX Anchor Loop, involves the construction of 158 kilometres of pipeline between a location west of Hinton, Alberta to a location near Jackman Hill, British Columbia. The proposed TMX Anchor Loop would also include the installation of new pump stations at Wolf, Alberta and Chappel, British Columbia.

Pending regulatory approvals, construction of the TMX Anchor Loop is scheduled to begin in mid-2007, with completion of construction in the third quarter of 2008. Terasen expects to submit regulatory applications at the end of 2005.

2. Gateway Pipeline Inc. (Gateway) - Preliminary Information Package (File ATT-TTC-ENB 02)

On 2 November 2005, Gateway Pipeline Inc., a wholly owned subsidiary of Enbridge Inc., filed a Preliminary Information Package (PIP) with the Board, the Canadian Environmental Assessment Agency and other federal departments.

The PIP provides detailed information on the major elements of the Gateway Project as of October 2005. It is intended to inform potentially interested parties, and to permit federal regulators to define the regulatory review process to satisfy the requirements of the Board and the Canadian Environmental Assessment Agency.

A PIP filing does not constitute an application for regulatory approval. Such an application is planned for 2006, subject to the achievement of commercial feasibility, including satisfactory shipper commitments, as well as successful completion of engineering, environmental planning, and public and Aboriginal consultation. This timing would permit construction to commence in 2008 and the pipelines to begin service in 2010.

The Gateway Project is estimated to cost approximately \$4 billion and will consist of a

petroleum export pipeline and a condensate import pipeline along the same right-of-way, and a marine terminal.

The proposed Petroleum Export Pipeline project would involve a new 1150-km (715-mile) 30-inch diameter pipeline with an initial capacity of approximately 400,000 barrels per day to transport petroleum from Edmonton, Alberta to Kitimat, British Columbia. The proposed Condensate Import Pipeline would be a 20-inch diameter pipeline capable of initially transporting approximately 150,000 barrels per day from Kitimat to Edmonton.

Non Hearing Applications

Electricity Matters

Matters under Consideration

1. *SILVERHILL LTD. (SILVERHILL) - Electricity Export (File AE-P-SHL 01)*

On 24 October 2005, SILVERHILL applied for permits to export up to 4 380 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

2. *NorthPoint Energy Solutions Inc. (NES) - Electricity Export (File AE-P-NPS 01)*

On 10 November 2005, NES applied for permits to export up to 1000 megawatts of power and up to 8760 gigawatt hours of firm or interruptible energy per year for a period of 10 years.

3. *First Commodities International Inc. (FCII) - Electricity Export (File AE-P-FCI 01)*

On 17 November 2005, FCII applied for a permit to export up to 600 gigawatt hours of interruptible energy per year for a period of 10 years.

Gas Matter

Matter Completed

1. *EnCana Corporation (EnCana) - Replacement of a Gas Sale Agreement - Licences GL-284 and GL-285 (Files 7200-E112-1-1 and 7200-E112-1-2)*

On 3 November 2005, the Board approved an application dated 23 December 2004, as amended on 26 October 2005, from EnCana for approval of a gas sale agreement entitled the *Cross-Border*

Commodity Purchase & Sale Agreement that would replace the original gas sale agreement dated 1 January 1994 underpinning natural gas export Licences GL-284 and GL-285. Under these licences, EnCana is authorized to export approximately 1.6 billion cubic metres and 1.0 billion cubic metres of natural gas, respectively, in any consecutive 12-month period ending 31 October.

Pipeline Matters

Matters Completed

1. *Section 58 Applications*

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

2. *Canadian Natural Resources Limited (CNRL) - Shekilie Gas Pipeline (File AF-CNR 2005-01)*

On 24 November 2005, the Board approved an application dated 29 September 2005 from CNRL to construct a 9.0 kilometre, 168.3 millimetre, sweet natural gas pipeline commencing at a riser adjacent to an existing CNRL wellsite located at d-55-H/94-I-16 in northern British Columbia and ending at a tie-in point adjacent to the proposed TransCanada PipeLines Limited meter station located at 14-02-114-12 W6M in Alberta. CNRL proposes to construct the pipeline in the winter of 2005-2006 and the proposed in-service date is the first quarter of 2006. The estimated cost of the pipeline is \$2,250,000.

3. EnCana Oil & Gas Co. Ltd. on behalf of the EnCana Oil & Gas Partnership (EnCana) - Mid-Tupper Pipeline (File 3400-E126-3)

On 2 November 2005, the Board approved an application dated 12 August 2005 from EnCana to construct a sour natural gas pipeline and a sweet natural gas pipeline each extending 3.8 kilometres from an existing EnCana pipeline hub located at d-33-I/93-P-8 in British Columbia to tie-in points adjacent to the existing EnCana compressor station located at 15-31-74-13 W6M in Alberta. Construction of the proposed pipelines is planned for the fall of 2005 and the proposed in-service date is scheduled for the first quarter of 2006. The estimated cost of the pipelines is \$1.6 million.

4. Terasen Pipelines (Trans Mountain) Inc. (Terasen) - Capacity Expansion (File 3400-T099-13)

On 9 November 2005, the Board approved an application dated 12 July 2005, as amended, from Terasen to increase the capacity of the Trans Mountain pipeline system from 35 770 cubic metres per day (225,000 barrels per day) to 41 330 cubic metres per day (260,000 barrels per day). The facilities required for the project include the construction of 11 pump stations, modifications to three existing pump stations, and modifications of pump internals at eight existing stations between Edmonton, Alberta and Burnaby, British Columbia. The construction of the project is proposed for 2006 with a proposed in-service date of April 2007. The estimated cost of the project is \$193 million.

Matters Pending

5. Nexen Inc. - Construct the Cuthbert Gas Pipeline (File AFP-NXI 2005 001)

On 7 October 2005, Nexen Inc. applied for approval to construct a 1.3 kilometre natural gas pipeline commencing at an existing Nexen wellsite located at LSD 16-24-26-1 W4M in Alberta and ending at a pipeline header tie-in located at LSD 15-21-26-29 W3M in Saskatchewan. The pipeline would cross the border south of Alsask, Saskatchewan and west of Oyen, Alberta. The proposed construction of the pipeline would occur in late November or December 2005 and the proposed in-service date is January 2006. The estimated cost of the pipeline is \$357,000.

6. TransCanada Pipelines Limited (TCPL) - Les Cèdres Loop (File 3400-T001-238)

On 28 February 2005, TCPL applied for approval to construct 21.3 kilometres of pipeline loop from mainline valve 147A in the Municipality of Saint-Télesphore, Quebec to mainline valve 148 in the Municipality of Les Cèdres, Quebec (Les Cèdres Loop). The proposed Les Cèdres Loop, together with the capacity provided by the existing mainline facilities, will be needed to enable TCPL to transport the natural gas required for a new gas-fired cogeneration plant being constructed at Bécancour, Quebec. The estimated cost of the project is \$44.1 million and the proposed in-service date is 1 November 2006.

7. TransCanada Pipelines Limited (TCPL) - Deux Rivières and Stittsville Loops (File 3400-T001-249)

On 16 September 2005, TCPL applied for approval to construct 37.8 kilometres of 1 064 millimetre (42 inch) pipeline loops on its North Bay Shortcut in two sections, as follows:

- 18.1 km from MLV 1205 + 11.6 km to MLV 1206 (the "Deux Rivières Loop")
- 19.7 km from MLV 1216 + 10.3 km to MLV 1217 (the "Stittsville Loop").

The proposed facilities, together with the capacity provided by the existing Mainline facilities, and by the Les Cèdres Loop proposed in TCPL's application dated 28 February 2005, will be needed to transport its forecasted total requirements for the Montreal Line and North Bay Shortcut for the operating year commencing 1 November 2006. TCPL plans to begin construction in July 2006. The estimated cost of the proposed facilities is \$99.3 million.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. TransCanada Pipelines Limited (TCPL) - Resolution of the 2005 Toll Task Force (File ATT-AIT-TCP 26)

On 28 November 2005, the Board approved the resolution described below.

Resolution No.	Subject
22.2005	Tariff clean up. Purpose - administrative clean up of the tariff.

2. *Trans-Northern Pipelines Inc. (TNPL) - 2005 Tolls (File 4200-T002-12)*

On 25 November 2005, the Board approved an application dated 1 March 2005 from TNPL for approval of final tolls for 2005 effective 1 January 2005. The Board had sought comments of interested parties on the application.

Matters Pending

3. *TransCanada Pipelines Limited B.C. System - Short Term Firm Service (STFS) Amendment Application (File ATT-ATC-TCB 02)*

On 2 November 2005, TransCanada applied for an order or orders approving pricing and other service attribute modifications to STFS-1 on the B.C. System and associated amendments to the Gas Transportation Service Documents to be effective 1 January 2006. On 15 November 2005, the Board decided to seek comments from interested parties on the application.

4. *TransCanada Pipelines Limited (TCPL) - Resolution of the 2005 Toll Task Force (File ATT-ATC-TCP 24)*

On 10 November 2005, TCPL applied for approval of the resolution described below.

Resolution No.	Subject
21.2005	2006 interim tolls. Purpose - to establish new tolls effective 1 January 2006 on an interim basis pending the filing and disposition by the Board of TCPL's 2006 Tolls and Tariff Application.

5. *Westcoast Energy Inc. (WEI) - Interim and Final Tolls, 1 January to 31 December 2006 (File ATT-AFT-WEI 19)*

On 28 November 2005, WEI applied for approval of final tolls for its mainline transmission services to be in effect for a one-year period commencing 1 January 2006. With respect to the interim transmission tolls to be in effect 1 January 2006, Westcoast has reached agreement with respect to the level of such tolls with its Toll and Tariff Task Force ("TTTF"). The agreed interim tolls do not yet reflect the introduction of term differentiated firm service tolls approved by the Board in its RHW-1-2005 Reasons for Decision. WEI will recalculate and refile the agreed interim firm and interruptible tolls with the Board in early January 2006.

The proposed interim tolls have been agreed to without prejudice to any position that WEI or the members of the TTTF may advance in the 2006 Toll Application. WEI requested that the Board approve the interim tolls at the level agreed to by WEI and the TTTF and requested that the Board give expedited consideration to this matter so that these interim tolls may become effective 1 January 2006.

WEI intends to engage in discussions with its stakeholders in an attempt to reach a negotiated settlement of its final 2006 tolls. WEI anticipates that it will be in a position to update the Board on the progress of these discussions early in 2006. WEI requested that the Board delay establishing a procedure to deal with the toll Application until after WEI has discussed process requirements with its stakeholders.

Appeals

Appeal Completed

1. *Sumas Energy 2, Inc. (SE2) - Application for Leave to Appeal a Board Decision*

On 9 November 2005, the Federal Court of Appeal denied SE2's application to appeal the Board's 4 March 2004 decision in which it denied an

application from SE2 to construct the Canadian portion of an 8.5 kilometre international power line originating at the Canada/United States international boundary near Sumas, Washington and running to a BC Hydro substation in Abbotsford, British Columbia.

Appeal Pending

2. *Flint Hill Resources - Application for Leave to Appeal - RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc. to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the

extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Flint Hill Resources also filed a Notice of Motion with the Court seeking an extension of time, until 30 days following the release of the Board's Reasons for Decision in RH-1-2005, to seek leave to appeal on any additional grounds.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99) and the National Energy Board Processing Plant Regulations (PPR)*

The Board intends to amend the above regulations to require companies under its jurisdiction to develop and implement a pipeline security management program. As an interim step, prior to the promulgation of amendments to these regulations, the Board provided companies with a Notice of Proposed Regulatory Change (NOPRC). The NOPRC describes the proposed changes to the regulations. Once all of the comments are received regarding the NOPRC, the Board will release a Proposed Regulatory Change (PRC). The PRC will form a basis for the Board's interim pipeline security management expectations prior to any changes regarding security to the OPR-99 or PPR.

2. *Cost Recovery Regulations - Electricity - Review (File 175-A000-72-2)*

The Board is reviewing the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders. As part of the review, the Board held workshops on 9 December 2004 in Calgary and on 2 June 2005 in Montréal. The Board will hold a meeting with interested parties on 16 January 2006 in Toronto on the process of defining the cost recovery concept to incorporate the various legislative requirements relevant to the Board.

3. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it has completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

4. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board and the Department of Indian Affairs and Northern Development. These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the Offshore Accord Acts.

The intent of the current project is to have goal-oriented D&PR in force by approximately the end of 2006. The goal-oriented D&PR project will build on draft D&PR that were developed as part of a previous project in 2000; however, several circumstances combined to delay the previous project and prevent those draft D&PR from coming into force.

5. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

6. *The Canada Oil and Gas Geophysical Operations Regulations*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

General Counsel

Ms. Kathleen Beall will join the Board as General Counsel on Monday, 19 December 2005. Ms. Beall has extensive experience in administrative law, change management and oil and gas law. She joined the Ontario Ministry of the Attorney General in 1986. From 2000 to 2004, she was Director of Legal Services, Ontario Ministry of Northern Development and Mines. Most recently, since March 2004, Kathleen has worked on a two-year exchange with Justice Canada, as Deputy Director of Aboriginal Law Services in Calgary. She is a member of the Law Society of Alberta, the Law Society of Upper Canada and the Nova Scotia Barrister's Society.

Scheduled Energy Market Assessments (EMA) 2005-2006

1. *Natural Gas for Power Generation: Issues and Implications*

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in January 2006.

2. *Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential*

The NEB and the British Columbia Ministry of Energy and Mines will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in January 2006.

3. *Renewable and Alternative Sources of Power*

This EMA will address alternative and renewable technologies. Interest in alternative and renewable technologies, such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible supplemental energy sources continue to grow in Canada. Demand reduction (or demand response) programs may also be considered an energy source. The report is expected to be released in February 2006.

Instructions for Filing

Correspondence

All correspondence should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 - Fax: (403) 292-5503.

Applications and other filings, number of copies to be filed

You may submit your application and other filings to the Board in one of two ways:

1. Electronically: use the *Submit a Document* option on our Web site and mail (see address above) or fax one (1) copy of your documents, or
2. mail twenty-five (25) copies of your documents.

Addition information on filings

Filings and types of documents that can be filed electronically and creating PDF documents: see *Filer's Guide to Electronic Submission* (http://www.neb-one.gc.ca/efile/guide_e.pdf).

Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

Templates providing alternative ways to file your documents and assistance with the provision of multiple copies due to undue financial burden: see *Can't Submit Your Document Electronically?* *Procedure for Sending Hard Copies* (http://www.neb-one.gc.ca/efile/forms/paper_e.htm).

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For a current list of the telephone numbers of Board Members and key staff, see our Internet site under the heading *About Us, Our People*.

Appendix I

Section 58 Applications

Gas Pipelines

Applicant	File/Order	Application	Est. Cost
EnCana Oil and Gas Partnership	File: 3400-E126-3 Order: XG-E126-37-2005	Application dated 12 August 2005; approved on 2 November 2005. Mid-Tupper Pipeline Project which consists of two 3.8 kilometre pipelines.	1 600 000
Canadian Natural Resources Limited	File: AF-CNR 2005-01 Order: XG-C298-39-2005	Application dated 29 September 2005; approved on 24 November 2005. Construct a 9.0 kilometre pipeline from northern British Columbia to Alberta (Shekilie Pipeline).	2 250 000
Trans Québec & Maritimes Pipeline Inc.	File: 3400-T028-39 Order: XG-T028-38-2005	Application dated 23 August 2005; approved on 29 November 2005. Add capacity and a supplementary cooling system at the Lachenaie Compressor Station.	30 100 000

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
Terasen Pipelines (Trans Mountain) Inc.	File: AFP-TTM 2005-001 Order: XO-T099-15-2005	Application dated 12 July 2005; approved on 9 November 2005. Pump Station Expansion Project in British Columbia and Alberta.	193 000 000

Appendix II

Other Filings

Applicant	Date	Application
Maritimes & Northeast Pipeline Management Ltd.	3 November	File AFP-NOMA-MNP 2005-01 - Notification of Operations and Maintenance Activity - Cathodic Protection at KP 075.1.
Selkirk Cogen Partners, L.P.	7 November	File AG-GL-SCP01 - Termination of the Gas Export Contract with Paramount Resources Ltd. underpinning exports under Licence GL-157.
Wascana Pipeline System	7 November	File ATT-TTC-PMC-01 - Tariff No. 8 effective 1 October 2005.
Wascana Pipeline System	7 November	File ATT-TTC-PMC-01 - Tariff No. 8.1 effective 1 November 2005.
Westcoast Energy Inc.	8 November	File AFP-NOMA-WEI 2005-03 - Notification of Operations and Maintenance Activity - Sales tap upgrade on the mainline at a point located 66.2 kilometres south of Compressor Station 3.
Westcoast Energy Inc.	14 November	File ATT-QSR-WEI 2005-03 - Quarterly Surveillance Report for the period ending 30 September 2005.
TransCanada PipeLines Limited	14 November	File ATT-QSR-TCP 2005-03 - Quarterly Surveillance Report for the period ended 30 September 2005.
TransCanada PipeLines Limited BC System	14 November	File ATT-QSR-TCB 2005-03 - Quarterly Surveillance Report for the period ended 30 September 2005.
Enbridge Pipelines Inc.	16 November	File AFP-ENB 2005-003 - Construct transfer facilities at Enbridge's Edmonton Terminal at a cost of \$11.5 million.
TransCanada PipeLines Limited	22 November	File ATT-QSR-TCP 2005-03 - Revisions to Schedules 1.1 and 3.0 of the Mainline third quarter Surveillance Report filed on 14 November 2005.
Maritimes & Northeast Pipeline Management Ltd	23 November	File 4200-M124-4 - Annual Toll Settlement Reporting for 2004.
Montreal Pipe Line Limited	24 November	File 4775-M003-1-1 - Tariffs Nos. 118, 119 and 120 effective 1 January 2006.
Westcoast Energy Inc.	29 November	File ATT-ATC-WEI 01- Framework for Light-handed Regulation: Amendment of Toll Schedules effective 1 December 2005.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of December 2005

Public Hearing Applications

Hearings in Progress

1. *Coral Energy Canada Inc. (Coral) - TransCanada PipeLines Limited (TCPL) Firm Transportation Risk Alleviation Mechanism (FT-RAM) (File ATT-ATC-TCP23)*

The Board is holding a written public hearing on an application by Coral to modify the FT-RAM. FT-RAM is a transportation service enhancement being provided on a pilot basis by TCPL to its long-haul firm transportation (FT) shippers.

TCPL currently provides FT-RAM to FT long-haul shippers as a service enhancement which mitigates unabsorbed FT demand charges in an effort to attract and retain long-haul FT contracts on TCPL's main pipeline. Coral is proposing that the service be expanded to include certain short-haul contracts in circumstances where a shipper holds a long-haul FT contract which delivers to the same location as the receipt point of the short-haul FT contract.

2. *Centra Transmission Holdings Inc. (Centra) - Tolls - RHW-3-2005 (File 4200-C293-1)*

The Board is holding a written public hearing on an application by Centra to change the tolls charged for transportation service on its pipeline system.

Centra owns a 97 kilometre pipeline in Manitoba between Winnipeg and Sprague, and a 90 kilometre pipeline in Ontario between Fort Frances and Rainy River. Centra sells natural gas to large users and distributors in Canada as well as to Centra Minnesota in the United States.

Hearings Scheduled

1. *Chevron Canada Limited (Chevron Canada) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) - Priority Destination - MH-2-2005 (Files 4755-T099-3 and 4755-T099-4)*

The Board will hold a public hearing, at a date and location to be announced at a later date, on two applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system. The first application is for delivery of crude oil by Chevron Canada, and the second application is for delivery of isooctane by Chevron/Neste.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

"We promote Safety and Security, Environmental Protection and Economic Efficiency"

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2. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties - Mackenzie Gas Project (Files PA-IOR 2004-001, FacPipe IRL MGS-4, FieldOp IRL Taglu-07, FieldOp CPN Parson-07 and FieldOp SCL Niglintgak-07)*

The Board will commence the public hearing on 25 January 2006 in Inuvik, Northwest Territories. The Board will be holding its hearing in 12 communities in the NWT and one community in Alberta. The Board anticipates that the hearing will be completed in December 2006. The full schedule for the hearing is available on the Board's Web site. The full hearing schedule for both the Joint Review Panel and the Board is available on the Web site of the Northern Gas Project Secretariat at www.ngps.nt.ca.

The Mackenzie Gas Project includes a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station.

Hearing Applications Filed

1. *Sea Breeze Victoria Converter Corporation (Sea Breeze) - Construct an International Power Line (IPL) from Victoria, B.C. to Port Angeles, Washington (File AFIP-L-SBC-01)*

The Board has received an application from Sea Breeze to construct and operate a 150 kilovolt high voltage direct current IPL. The IPL would extend a distance of approximately 47 kilometres southward from the Town of View Royal, British Columbia to a point on the international boundary in the Strait of Juan de Fuca and from there to a point near Port Angeles, Washington. Approximately 12 kilometres will be onshore and the remainder in the Strait of Juan de Fuca. Sea Breeze also proposes to construct a converter station near existing substations on Vancouver Island. Commencement of construction of the proposed IPL is planned for November 2006.

It is anticipated that a hearing order establishing the procedures to be followed in the public hearing

and the process for the public to participate in the hearing will be forthcoming from the Board early in 2006. It is also anticipated that the Board will conduct at least one public information session on its processes. The date and time of the information session(s) will be announced in local newspapers.

2. *Montana Alberta Tie Ltd. (MATL) - Construct an International Power Line (IPL) from Lethbridge, Alberta to Great Falls, Montana (File AFIP-L-MAT-01)*

On 21 December 2005, MATL filed an application for approval to construct a 326 kilometre 230 kilovolt alternate current IPL from Lethbridge, Alberta to Great Falls, Montana. Approximately 123 kilometres of the IPL would be in Canada. MATL also proposes to construct a new 230 kilovolt substation and a phase shifting transformer to control the direction of the flow of power near Lethbridge. The proposed IPL would be capable of transferring up to 300 megawatts of power in either direction. The proposed in-service date of the IPL is December 2006.

Proposed Hearing Applications

1. *Terasen Pipelines (Trans Mountain) Inc. (Terasen) - TMX Anchor Loop (File 3200-T099-1)*

On 27 September 2005, Terasen filed a project description of a proposal to loop a portion of its existing Trans Mountain oil pipeline system. This project, referred to as the TMX Anchor Loop, involves the construction of 158 kilometres of pipeline between a location west of Hinton, Alberta to a location near Jackman Hill, British Columbia. The proposed TMX Anchor Loop would also include the installation of new pump stations at Wolf, Alberta and Chappel, British Columbia.

On 16 November 2005, Terasen filed an Environmental Assessment Report in accordance with the *Scope and Requirements of the Environmental Assessment for the Terasen Pipelines (Trans Mountain) Inc. TMX Anchor Loop Project* issued by the Canadian Environmental Assessment Agency on 27 October 2005.

Pending regulatory approvals, construction of the TMX Anchor Loop is scheduled to begin in mid-2007 with completion in the third quarter of 2008. Terasen expects to submit regulatory applications in 2006.

2. Gateway Pipeline Inc. (Gateway) - Preliminary Information Package (File ATT-TTC-ENB 02)

On 2 November 2005, Gateway Pipeline Inc., a wholly owned subsidiary of Enbridge Inc., filed a Preliminary Information Package (PIP) with the Board, the Canadian Environmental Assessment Agency and other federal departments. The PIP provides detailed information on the major elements of the Gateway Project as of October 2005. It is intended to inform potentially interested parties, and to permit federal regulators to define the regulatory review process to satisfy the requirements of the Board and the Canadian Environmental Assessment Agency.

The Gateway Project will consist of a petroleum export pipeline and a condensate import pipeline along the same right-of-way, and a marine terminal. The proposed Petroleum Export Pipeline project would involve a new 1 150 kilometre 30 inch diameter pipeline with an initial capacity of approximately 400 000 barrels per day to transport petroleum from Edmonton, Alberta to Kitimat, British Columbia. The proposed Condensate Import Pipeline would be a 20 inch diameter pipeline capable of transporting approximately 150 000 barrels per day from Kitimat to Edmonton. The proposed in-service date is the year 2010 and the estimated cost is \$4 billion.

Non-Public Hearing Applications

Electricity Matters

1. Electricity Filing Manual for Facilities Applications - (File 2200-A000-7)

The Board is in the process of developing an electricity filing manual which outlines the information applicants need to provide to the Board when filing an electricity facility application for an international power line. Specifically, this manual is a tool to assist applicants who apply for an election certificate where federal laws rather than provincial laws apply. For permit applications, the manual would go beyond what is currently required but can still assist applicants where portions of the manual are relevant to their application.

On 22 December 2005, the Board sought comments from interested parties on the Filing Manual.

Matter Completed

2. SILVERHILL LTD. (SILVERHILL) - Electricity Export (File AE-P-SHL 01)

On 23 December 2005, the Board approved an application dated 24 October 2005 from SILVERHILL for permits to export up to 500 megawatts of firm power and 4 380 gigawatt-hours of combined firm and interruptible energy per year for a period of 10 years.

Matters under Consideration

3. NorthPoint Energy Solutions Inc. (NES) - Electricity Export (File AE-P-NPS 01)

On 10 November 2005, NES applied for permits to export up to 1 000 megawatts of power and up to 8 760 gigawatt hours of combined firm and interruptible energy per year for a period of 10 years.

4. First Commodities International Inc. (FCII) - Electricity Export (File AE-P-FCI 01)

On 17 November 2005, FCII applied for a permit to export up to 600 gigawatt hours of interruptible energy per year for a period of 10 years.

5. Ontario Power Generation Inc. and Ontario Energy Trading International Corp. (Applicants) - Electricity Export (File AE-OPG-01)

On 22 December 2005, the Applicants applied for permits to export up to 12 000 gigawatt hours of interruptible energy per year for a period of 10 years. The application, in part, represents a renewal of existing Export Permit EPE-21 which will expire on 30 June 2006.

Frontier Matters

Matters Completed

1. Devon ARL Corporation - Drill a Well

On 3 December 2005, Devon was given approval to drill the Paktoa C-60 well pursuant to section 83.(1) of the *Canada Oil and Gas Drilling Regulations* (COGDR). Devon was also given approval for its Paktoa Drilling Program pursuant to paragraph 5.(1)(b) of the *Canada Oil and Gas Operations Act*.

2. Husky Oil Operations Ltd. - Drill a Well

On 21 December 2005, Husky was given approval to drill the Summit Creek K-44 and Stewart D-57 wells pursuant to section 83.(1) of the COGDR.

3. Geological, geophysical or geotechnical operations

Two applications were approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act*.

Company	Area	Operation ID	Date
Chevron Canada Ltd.	Mackenzie Delta NWT	9329-C143-020E	15 December 2005
Explor Data Ltd	Mainland NWT	9229-E034-013E	22 December 2005

Matter under Consideration

4. Encana Corporation - Declaration of Significant Discovery

On 19 December 2005, Encana filed an application for a Declaration of Significant Discovery pursuant to section 28 of the *Canada Petroleum Resources Act* in respect of the Encana et al Umiak N-05 well, Exploration License 384 and the following applied-for lands:

Latitude	Longitude	Sections
69° 30' N	134° 00' W	55, 56, 57
69° 30' N	134° 15' W	5, 6, 7, 15, 16, 24, 25, 26, 34, 35

Encana also filed an application for a Declaration of Significant Discovery in respect of the Encana et al Umiak N-16 well, Exploration License 384 and the following applied-for lands:

Latitude	Longitude	Sections
69° 30' N	134° 00' W	47, 48, 55-58
69° 30' N	134° 15' W	4-8, 13-18, 23-28, 33-37, 43-46, 53-55

Pipeline Matters

Matters Completed

1. Safety Advisory NEB SA 2005-03 (File 9700-A000-1-30)

On 23 December 2005, the Board issued the above Safety Advisory regarding the hazards associated with the possible ramifications of a programmable logic controller (PLC) failure. In October 2005, the PLC controlling a compressor unit failed. Immediately after the failure, the suction and discharge valves closed, but the electric motor for the unit continued to operate and went into surge. This resulted in excessive vibration of the piping, severing a two inch load and purge line at the flange connection outside the compressor building. Approximately 25 minutes after the PLC failure, the motor experienced an explosion. The venting of gas from the two inch pipe and the subsequent explosion caused considerable damage to the facility.

The Safety Advisory directs that breaker operations should be tested regularly to ensure breakers function appropriately for all foreseeable failure modes including PLC failure.

2. Nexen Inc. - Construct the Cuthbert Gas Pipeline (File AFP-NXI 2005 001)

On 2 December 2005, the Board approved an application dated 7 October 2005 from Nexen Inc. to construct a 1.3 kilometre natural gas pipeline commencing at an existing Nexen well site located at LSD 16-24-26-1 W4M in Alberta and ending at a pipeline header tie-in located at LSD 15-21-26-29 W3M in Saskatchewan. The pipeline will cross the border south of Alsask, Saskatchewan and west of Oyen, Alberta. The proposed in-service date of the pipeline is January 2006 and the estimated cost is \$357,000.

**3. TransCanada PipeLines Limited (TCPL)
- Les Cèdres Loop (File 3400-T001-238)**

On 2 December 2005, the Board approved an application dated 28 February 2005 from TCPL to construct 21.3 kilometres of pipeline loop from mainline valve 147A in the Municipality of Saint-Télesphore, Quebec to mainline valve 148 in the Municipality of Les Cèdres, Quebec (Les Cèdres Loop). Les Cèdres Loop, together with the capacity provided by the existing mainline facilities, will enable TCPL to transport the natural gas required for a new gas-fired cogeneration plant being constructed at Bécancour, Quebec. The proposed in-service date is November 2006 and the estimated cost is \$44.1 million.

4. Section 58 Applications

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matters Pending

5. Enermark Inc. - Construct the Shekilie Gas Pipeline (File AFP-PA-EN1 2005-001)

On 30 November 2005, Enermark Inc. applied for approval to construct approximately 2.1 kilometres of sweet gas pipeline from a future gas plant facility to be located at a-33-A/94-I-16 in British Columbia to a proposed regulator station at 13-32-1112-12 W6M in Alberta. The construction is proposed to commence on 20 February 2006 and the proposed in-service date is 15 March 2006. The estimated cost of the pipeline is \$396 670.

6. Marauder Resources West Coast Inc. (Marauder) - Ladyfern Gas Pipeline Project (File PA-MRW 2005-001)

On 16 December 2005, Marauder applied for approval to construct approximately 5.5 kilometres of natural gas pipeline from a riser adjacent to a proposed Marauder Talisman well site located at 10-27-93-13 W6M in Alberta and ending at a tie-in point adjacent to the existing EnCana Corporation well site located at a-36-H/94-H-1 in British Columbia. Construction of the pipeline would commence during the winter of 2005/2006 and the proposed in-service date is early in the second quarter of 2006. The estimated cost of the project is \$1.7 million.

**7. TransCanada PipeLines Limited (TCPL)
- Deux Rivières and Stittsville Loops
(File 3400-T001-249)**

On 16 September 2005, TCPL applied for approval to construct 37.8 kilometres of 1064 millimetre (42 inch) pipeline loops on its North Bay Shortcut in two sections, as follows:

- 18.1 km from MLV 1205 + 11.6 km to MLV 1 206 (the "Deux Rivières Loop")
- 19.7 km from MLV 1216 + 10.3 km to MLV 1217 (the "Stittsville Loop").

The proposed facilities, together with the capacity provided by the existing Mainline facilities, and by the Les Cèdres Loop proposed in TCPL's application dated 28 February 2005, will be needed to transport its forecasted total requirements for the Montreal Line and North Bay Shortcut for the operating year commencing 1 November 2006. TCPL plans to begin construction in July 2006. The estimated cost of the proposed facilities is \$99.3 million.

Traffic, Tolls and Tariffs Matters

Matters Completed

**1. Foothills Pipe Lines Ltd. (Foothills)
- 2006 Rates and Charges (File 4200-F006-9)**

On 21 December 2005, the Board approved an application dated 1 December 2005 from Foothills for approval of rates and charges, effective on 1 January 2006, for transportation service on Zones 6, 7, 8 and 9 and amendments to the Tariff and Subsidiary Companies Tariffs of Foothills Pipe Lines (Alta) Ltd., Foothills Pipe Lines (Sask) Ltd. and Foothills Pipe Lines (South B.C.) Ltd.

2. Terasen Pipelines (Trans Mountain) Inc. (Terasen) - 2006 Interim Tolls (File TT-IT-TTM 01)

On 22 December 2005, the Board approved an application dated 20 December 2005 from Terasen for approval of 2006 interim Petroleum Tariff No. 59 and Refined Petroleum Tariff No. RP 27 effective 1 January 2006. Terasen and the Canadian Association of Petroleum Producers have reached a tentative agreement on a Memorandum of Understanding for a five year Incentive Toll Settlement for the period of 2006 through 2010. Terasen anticipates that the financial aspects of the agreement will be filed with the Board for approval in the first quarter of 2006.

**3. Trans Québec & Maritimes Pipeline Inc. (TQM)
- 2006 Interim Tolls (File ATT-AIT-TQM 10)**

On 21 December 2005, the Board approved an application dated 8 December 2005 from TQM requesting that the transportation tolls approved for the Test Year 2005 be declared as interim tolls as of 1 January 2006. On 5 October 2005, the Board approved for the 2005 Test Year transportation tolls for a net revenue requirement of \$86,481,000.

**4. TransCanada PipeLines Limited (TCPL)
- Resolutions of the 2005 Toll Task Force
(Files ATT-ATC-TCP 25 and ATT-ATC-TCP 26)**

On 2, 13 and 29 December 2005, the Board approved the resolutions described below.

Resolution No.	Subject
21.2005	2006 interim tolls. Purpose - to establish new tolls effective 1 January 2006 on an interim basis pending the filing and the Board's disposition of TCPL's 2006 Tolls and Tariff Application.
23.2005	Amendments to sub-section XXII(8) of the General Terms and Conditions of TCPL's Mainline Tariff concerning Energy Imbalance Recovery. Purpose - to update the procedures and provisions related to Energy Imbalance Recovery.
24.2005	Amendments to the Transportation Access Procedures of TCPL's Mainline Tariff. Purpose - to change the bidding procedure for Daily Open Seasons.
25.2005	Approval of Energy Deficient Gas Allowance (EDGA) Service. Purpose - new service that will allow the TCPL Mainline to receive gas that has a gross heating value that is lower than the value specified in TCPL's General Terms and Conditions.

Matters Pending

5. Enbridge Pipeline Inc. (Enbridge) - Negotiated Toll Settlement (File TT-IT-ENB 08)

On 19 December 2005, Enbridge applied for approval of a toll settlement negotiated with the Canadian Association of Petroleum Producers. The agreed upon methodology is expected to form the basis for the calculation of Enbridge's revenue requirements and the resulting tolls for the years 2005-2009 inclusive. On 22 December 2005, the Board decided to seek comments from interested parties on the application.

6. TransCanada PipeLines Limited B.C. System (TCPL) - Short Term Firm Service (STFS) Amendment Application (File ATT-ATC-TCB 02)

On 2 November 2005, TCPL applied for an order or orders approving pricing and other service attribute modifications to STFS-1 on the B.C. System and associated amendments to the Gas Transportation Service Documents (GTSD) to be effective 1 January 2006. On 15 November 2005, the Board decided to seek comments from interested parties on the application.

On 21 December 2005, the Board approved, on an interim basis, an application dated 1 December 2005 from TCPL for rates and charges and amendments to the GTSD effective 1 January 2006.

7. Westcoast Energy Inc. (WEI) - Interim and Final Tolls, 1 January to 31 December 2006 (File ATT-AFT-WEI 19)

On 16 and 28 December 2005, the Board approved interim tolls effective 1 January 2006.

On 28 November 2005, WEI applied for approval of interim and final tolls for its mainline transmission services to be in effect for a one-year period commencing 1 January 2006. With respect to the interim transmission tolls to be in effect 1 January 2006, Westcoast has reached agreement with respect to the level of such tolls with its Toll and Tariff Task Force (TTTF).

The proposed interim tolls have been agreed to without prejudice to any position that WEI or the members of the TTTF may advance in the 2006 Toll Application. WEI intends to engage in discussions with its stakeholders in an attempt to reach a negotiated settlement of its final 2006 tolls. WEI anticipates that it will be in a position to update the Board on the progress of these discussions early in 2006. WEI requested that the Board delay establishing a procedure to deal with the toll Application until after WEI has discussed process requirements with its stakeholders.

Appeal

Appeal Pending

1. *Flint Hill Resources - Application for Leave to Appeal - RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc. to

recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Amendments to Regulations

Regulatory Initiatives Pursuant to the National Energy Board Act

1. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99) and the National Energy Board Processing Plant Regulations (PPR)*

The Board intends to amend the above regulations to require companies under its jurisdiction to develop and implement a pipeline security management program. As an interim step, prior to the promulgation of amendments to these regulations, the Board provided companies with a Notice of Proposed Regulatory Change (NOPRC). The NOPRC describes the proposed changes to the regulations. Once all of the comments are received regarding the NOPRC, the Board will release a Proposed Regulatory Change (PRC). The PRC will form a basis for the Board's interim pipeline security management expectations prior to any changes regarding security to the OPR-99 or PPR.

2. *Cost Recovery Regulations - Electricity - Review (File 175-A000-72-2)*

The Board is reviewing the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders. As part of the review, the Board held workshops on 9 December 2004 in Calgary and on 2 June 2005 in Montréal. The Board will hold a meeting with interested parties on 16 January 2006 in Toronto on the process of defining the cost recovery concept to incorporate the various legislative requirements relevant to the Board.

3. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it has completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act

4. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board and the Department of Indian Affairs and Northern Development. These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the *Offshore Accord Acts*.

The intent of the current project is to have goal-oriented D&PR in force by approximately the end of 2006. The goal-oriented D&PR project will build on draft D&PR that were developed as part of a previous project in 2000; however, several circumstances combined to delay the previous project and prevent those draft D&PR from coming into force.

5. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

6. *The Canada Oil and Gas Geophysical Operations Regulations*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Presentation

Presentation to the Standing Committee on Environment and Sustainable Development on 24 February 2005 by Robert Steedman, Chief Environment Officer, entitled *References to Climate Change Issues and Canada's Commitment to the Kyoto Protocol in National Energy Board Regulatory Decisions, 1994-2005*.

Focus on Safety and Environment - A Comparative Analysis of Pipeline Performance 2000-2004

The Board expects to release in February its fourth annual report on the safety, integrity and environmental performance of pipelines regulated by the Board compared to the performance reported by other similar organizations.

Scheduled Energy Market Assessments (EMA) for 2006

1. *Natural Gas for Power Generation: Issues and Implications*

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in January 2006.

2. *Renewable and Alternative Sources of Power*

This EMA will address alternative and renewable technologies. Interest in alternative and renewable technologies, such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible supplemental energy sources continue to grow in Canada. Demand reduction (or demand response) programs may also be considered an energy source. The report is expected to be released in February 2006.

3. *Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential*

The NEB and the British Columbia Ministry of Energy and Mines will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in March 2006.

Instructions for Filing

Correspondence

All correspondence should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8
Fax: (403) 292-5503.

Applications and other filings - number of copies to be filed

You may submit your application and other filings to the Board in one of two ways:

1. Electronically: use the *Submit a Document* option on our Web site and mail (see address above) or fax one (1) copy of your documents, or
2. mail twenty-five (25) copies of your documents.

Additional information on filings

Filings and types of documents that can be filed electronically and creating PDF documents: see *Filer's Guide to Electronic Submission* (http://www.neb-one.gc.ca/efile/guide_e.pdf).

Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

Templates providing alternative ways to file your documents and assistance with the provision of multiple copies due to undue financial burden: see *Can't Submit Your Document Electronically? Procedure for Sending Hard Copies* (http://www.neb-one.gc.ca/efile/forms/paper_e.htm).

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Appendix I

Section 58 Applications

Gas Pipelines

<i>Applicant</i>	<i>File/Order</i>	<i>Application</i>	<i>Est. Cost</i>
TransCanada PipeLines Limited	File: 3400-T001-238 Order: XG-T001-40-2005	Application dated 28 February 2005; approved on 2 December 2005. Construct a 21.3 kilometre loop in Quebec called Les Cèdres Loop.	44 100 000
Nexen Inc.	File: AFP-NXI 2005 01 Order: XG-N085-41-2005	Application dated 7 October 2005; approved on 2 December 2005. Construct the Cuthbert Pipeline, a 1.3 kilometre gas pipeline from Alberta to Saskatchewan.	357 000

Oil Pipelines

<i>Applicant</i>	<i>File/Order</i>	<i>Application</i>	<i>Est. Cost</i>
Enbridge Pipelines Inc.	File: 3400-E101-72 Order: XO-E101-16-2005	Application dated 16 November 2005; approved on 15 December 2005. Construct transfer facilities at the Edmonton Terminal.	11 500 000

Appendix II

Other Filings

<i>Company</i>	<i>Date</i>	<i>Filing</i>
TransCanada PipeLines Limited, B.C. System	1 December	File ATT-AFT-TCB 01 - Statement of Rates and Charges effective 1 January 2006 and amendments to the Gas Transportation Service Documents.
Enbridge Pipelines (NW) Inc.	1 December	File ATT-TTC-ENB 01 - 2006 Estimate of Full Cost of Service and Tariff NEB No. 34.
Maritimes & Northeast Pipeline Management Ltd.	6 December	File ATT-QSR-MNP 2005 03 - Quarterly Surveillance Report for the period ending 30 September 2005.
Terasen Pipelines (Trans Mountain) Inc.	7 December	File AFP-NOMA-2005-TTM 06 - Notification of Maintenance Work - Sumas Leak Site Replacement of Inclinator Casing(s).
Westcoast Energy Inc.	7 December	File AFMSA-WEI 2005 04 - Notification of Operations and Maintenance Activities - Replacement of approximately 460 metres of the buried 30-inch Mainline and 36-inch Loop with an aerial crossing at the White Rock Crossing of the Pine River.
TransCanada PipeLines Limited	9 December	Files 4775-T001-1-21 and 4775-T001-1-2005 - Review reports of the Firm Transportation Risk Alleviation Mechanism Pilot Program dated January and June 2005.
Enbridge Pipelines Inc.	12 December	File IT-ENB 1 - Extension of the interim tolls approved for transportation service on Line 9 to 31 March 2006.
Westcoast Energy Inc.	12 December	File AFT-WEI 18 - Firm Service Enhancements in Zones 3 and 4 - Amendments to the General Terms and Conditions necessary to implement the Board's decision in RHW-1-2005.
Plains Marketing Canada, L.P.	12 December	File TT-TTC-PMC 01 - Bodo Pipelines System Petroleum Toll Schedule effective 1 January 2006.

Appendix II (continued)

Other Filings

Niagara Gas Transmission Limited	12 December	File ATT-TTC-NGT-01 - List of tolls for the Link System.
Niagara Gas Transmission Limited	12 December	File ATT-TTC-NGT-01 - Toll related information for the Ottawa River Facilities.
Niagara Gas Transmission Limited	12 December	File ATT-TTC-NGT-01 - Toll related information for the Cornwall Pipeline Facilities.
Vector Pipeline Limited Partnership	15 December	File TT-IT-VPL 03 - 2006 Interim Toll Calculations.
Regent Resources Ltd. and Sword Energy Limited	15 December	File CC-SWE 2005 1 - Regent will sell and Sword will purchase a 0.7 kilometre natural gas pipeline in the Coutts area.
Plains Marketing Canada, L.P.	15 December	File TT-TTC-PMC-Toll Schedules - Wapella Pipelines System Tariff No. 5-3 effective 1 January 2006.
Rainbow Pipe Line Company, Ltd	16 December	File TT-TTC-RPL TS - Tariff No. 65 effective 1 January 2006.
Imperial Oil	16 December	File TT-TTC-IPC TS - Bonnie Glen Pipeline Tariff No. 110 effective 1 January 2006.
Enbridge Pipelines Inc.	19 December	File PA-ENB 2005-004 - Application to construct a custody transfer metering system at the Cromer Terminal for service to Tundra Oil & Gas Ltd.
Profico Energy Management	19 December	File PA-PEM 2005-001 - Leave to open the pipeline approved by NEB Order XG-P156-32-2005.
Westcoast Energy Inc.	20 December	File ATT-ATC-WEI 01- Framework for Light-handed Regulation: Amendment of Toll Schedules effective 1 January 2006.
Express Pipelines Ltd.	21 December	File PA-EPL 2005-001 - Construct a tie-in from Gibson Petroleum Ltd.'s Hardisty Terminal to Express Pipelines' Hardisty Terminal.
Plains Marketing Canada, L.P.	21 December	File TT-TTC-PMC TS - Tariff No 7.0 and Rules and Regulations No. 5.0 for the Milk River Pipeline System effective 1 January 2006.
Plains Marketing Canada, L.P.	21 December	File TT-TTC-PMC TS - Rules and Regulations No. 6.0 for the Wapella Pipeline System effective 1 January 2006.
Plains Marketing Canada, L.P.	22 December	File TT-TTC-PMC TS - Rules and Regulations No. 8.0 for the Wascana Pipeline System effective 1 January 2006.
Express Pipeline Ltd.	23 December	File TT-TTC-EPL-01 - Proposed International ExpressChoice® Uncommitted Petroleum Toll Schedule - NEB Tariff No. 67.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of January 2006

Public Hearing Applications

Hearings in Progress

1. *Coral Energy Canada Inc. (Coral) - TransCanada Pipelines Limited (TCPL) Firm Transportation Risk Alleviation Mechanism (FT-RAM) - RHW-02-2005 (File ATT-ATC-TCP23)*

The Board is holding a written public hearing on an application by Coral to modify the FT-RAM. FT-RAM is a transportation service enhancement being provided on a pilot basis by TCPL to its long-haul firm transportation shippers.

TCPL currently provides FT-RAM to FT long-haul shippers as a service enhancement which mitigates unabsorbed FT demand charges in an effort to attract and retain long-haul FT contracts on TCPL's main pipeline. Coral is proposing that the service be expanded to include certain short-haul contracts in circumstances where a shipper holds a long-haul FT contract which delivers to the same location as the receipt point of the short-haul FT contract.

2. *Centra Transmission Holdings Inc. (Centra) - Tolls - RHW-3-2005 (File 4200-C293-1)*

The Board is holding a written public hearing on an application by Centra to change the tolls

charged for transportation service on its pipeline system. On 26 January 2006, the Board heard final arguments by teleconference.

Centra owns a 97 kilometre pipeline in Manitoba between Winnipeg and Sprague, and a 90 kilometre pipeline in Ontario between Fort Frances and Rainy River. Centra sells natural gas to large users and distributors in Canada as well as to Centra Minnesota in the United States.

3. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties - Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

The Board is conducting a public hearing which commenced on 25 January 2006 in Inuvik, N.W.T. on the Mackenzie Gas Project which includes the construction of a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

"We promote Safety and Security, Environmental Protection and Economic Efficiency"

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processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station. The Board anticipates that the hearing will be completed in December 2006.

Hearings Scheduled

1. *Sea Breeze Victoria Converter Corporation (Sea Breeze) - Construct an International Power Line (IPL) from Victoria, British Columbia to Port Angeles, Washington - EH-1-2006 (File AFIPL-SBC-01)*

The Board will hold a public hearing commencing on 24 April 2006, at a location to be determined, to review an application submitted by Sea Breeze who is planning the construction and operation of a 150 kilovolt high voltage direct current IPL. The proposed 47 kilometre IPL would extend southward from the Town of View Royal, British Columbia to the Strait of Juan de Fuca and from there to Port Angeles, Washington. Approximately 12 kilometres of the Canadian portion of the proposed IPL will be on land and the remainder in the Strait of Juan de Fuca. Construction of the proposed IPL and a converter station near existing substations on Vancouver Island is tentatively scheduled for November 2006, subject to approval.

On 7 February 2006, the Board held a public information session on its processes in Victoria, British Columbia.

2. *Chevron Canada Limited (Chevron Canada) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) - Priority Destination - MH-2-2005 (Files 4755-T099-3 and 4755-T099-4)*

The Board will hold a public hearing commencing on 6 March 2006 in Calgary, Alberta on two applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system. The first application is for delivery of crude oil by Chevron Canada, and the second application is for delivery of isooctane by Chevron/Neste.

Proposed Hearing Applications

1. *Terasen Pipelines (Trans Mountain) Inc. (Terasen) - TMX Anchor Loop (File 3200-T099-1)*

On 27 September 2005, Terasen filed a project description of a proposal to loop a portion of its existing Trans Mountain oil pipeline system. This project, referred to as the TMX Anchor Loop, involves the construction of 158 kilometres of pipeline between a location west of Hinton, Alberta to a location near Jackman Hill, British Columbia. The proposed TMX Anchor Loop would also include the installation of new pump stations at Wolf, Alberta and Chappel, British Columbia.

On 16 November 2005, Terasen filed and Environmental Assessment Report in accordance with the *Scope and Requirements of the Environmental Assessment for the Terasen Pipelines (Trans Mountain) Inc. TMX Anchor Loop Project* issued by the Canadian Environmental Assessment Agency on 27 October 2005.

Pending regulatory approvals, construction of the TMX Anchor Loop is scheduled to begin in mid-2007 with completion in the third quarter of 2008. Terasen expects to submit regulatory applications in 2006.

2. *Gateway Pipeline Inc. (Gateway) - Preliminary Information Package (File ATT-TTC-ENB 02)*

On 2 November 2005, Gateway Pipeline Inc., a wholly owned subsidiary of Enbridge Inc., filed a Preliminary Information Package (PIP) with the Canadian Environmental Assessment Agency (CEAA), the NEB and other federal departments. The PIP provides detailed information on the major elements of the Gateway Project as of October 2005. It is intended to inform potentially interested parties, and to permit federal regulators to define the regulatory review process to satisfy the requirements of the NEB and the CEAA.

The Gateway Project will consist of a petroleum export pipeline and a condensate import pipeline along the same right-of-way, and a marine terminal. The proposed Petroleum Export Pipeline project would involve a new 1 150 kilometre 30 inch diameter pipeline with an initial capacity of approximately 400 000 barrels per day to transport

petroleum from Edmonton, Alberta to Kitimat, British Columbia. The proposed Condensate Import Pipeline would be a 20 inch diameter pipeline capable of transporting approximately 150,000 barrels per day from Kitimat to Edmonton. The proposed in-service date is the year 2010 and the estimated cost is \$4 billion.

3. *Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Brunswick Pipeline Project (File PA-MNP 2006-001)*

On 6 January 2006, M&NP filed with the CEAA and the NEB a Project Description for a proposed 145 kilometre, 762 millimetre diameter pipeline from the CanaportTM Liquefied Natural Gas Facility at Mispic Point in Saint John, New Brunswick to a point on the international border near St. Stephen, New Brunswick. M&NP anticipates filing an application in March of 2006.

Filing of the Project Description with the NEB initiates the federal environmental assessment process under the provisions of the *Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements* pursuant to the *Canadian Environmental Assessment Act*. This regulation requires that federal departments with decision-making responsibility or expert knowledge declare

their interest in the project and participate in scoping for the Project and environmental assessment.

4. *Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Bear Head Pipeline (File PA-MNP 2006-002)*

On 6 January 2006, M&NP filed with the CEAA and the NEB a Project Description for a proposed 55 kilometre, 762 millimetre diameter, pipeline from a liquefied natural gas regasification facility at Bear Head, near Port Hawkesbury, Nova Scotia to a point along the existing M&NP mainline near Goldboro, Nova Scotia. M&NP anticipates filing an application in March of 2006.

Filing of the Project Description with the NEB initiates the federal environmental assessment process under the provisions of the *Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements* pursuant to the *Canadian Environmental Assessment Act*. This regulation requires that federal departments with decision-making responsibility or expert knowledge declare their interest in the project and participate in scoping for the project and environmental assessment.

Non-Public Hearing Applications

Electricity Matters

Matters under Consideration

1. *First Commodities International Inc. (FCII) - Electricity Export (File AE-P-FCI 01)*

On 17 November 2005, FCII applied for a permit to export up to 600 gigawatt hours of interruptible energy per year for a period of 10 years.

2. *Maritime Electric Company, Limited (MEC) - Electricity Export (File AE-P-MEC 01)*

On 17 January 2006, MEC applied for permits to export up to 150 megawatts of power and up to 350 gigawatt hours of energy on a firm and interruptible basis per year for a period of 10 years.

3. *Montana Alberta Tie Ltd. (MATL) - Construct an International Power Line (IPL) from Lethbridge, Alberta to Great Falls, Montana (File AFIPL-MAT-01)*

On 21 December 2005, MATL applied for approval to construct a 326 kilometre 230 kilovolt alternate current IPL from Lethbridge, Alberta to Great Falls, Montana. Approximately 123 kilometres of the IPL would be in Canada. MATL also proposes to construct a new 230 kilovolt substation and a phase shifting transformer to control the direction of the flow of power near Lethbridge. The proposed IPL would be capable of transferring up to 300 megawatts of power in either direction. The proposed in-service date of the IPL is December 2006.

The Board sought the views of interested parties on this application before issuing a permit or recommending to the Governor-in-Council that a public hearing be held.

4 NorthPoint Energy Solutions Inc. (NES) - Electricity Export (File AE-P-NPS 01)

On 10 November 2005, NES applied for permits to export up to 1 000 megawatts of power and up to 8 760 gigawatt hours of energy on a firm or interruptible basis per year for a period of 10 years.

5. Ontario Power Generation Inc. and Ontario Energy Trading International Corp. (Applicants) - Electricity Export (File AE-P-OPG-01)

On 22 December 2005, the Applicants applied for permits to export up to 12 000 gigawatt hours of interruptible energy per year for a period of 10 years. The application, in part, represents a renewal of existing Export Permit EPE-21 which will expire on 30 June 2006.

Frontier Matters

1. Canadian Natural Resources Ltd. (CNRL) - Alter the Condition of a Well

On 26 January 2006, CNRL was given approval to alter the condition of the well North Liard 3P-66B pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulations*.

2. Paramount Resources Ltd. - Alter the Condition of Two Wells

On 3 and 17 January 2006, Paramount was given approvals to alter the condition of the wells Cameron F-19 and Liard K-29A pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulations*.

3. Paramount Resources Ltd. - Drill Wells

On 12 and 27 January 2006, Paramount was given approvals to drill the wells Cameron J-74, Cameron L-73, Cameron J-04, Cameron L-29 and Cameron E-07 pursuant to section 83.(1) of the *Canada Oil and Gas Drilling Regulations*.

4. Geological, geophysical or geotechnical operations

Two applications were approved pursuant to section 5.(1)(b) of the *Canada Oil and Gas Operations Act*.

<i>Company</i>	<i>Area</i>	<i>Operation ID</i>	<i>Date</i>
Chevron Canada Resources	Ellice 3D Seismic	9329-C047-11E	10 January 2006
Explor Data Ltd	Deline Gravity Survey	9228-E034-001	25 January 2006

Pipeline Matters

Matters Completed

1. Regent Resources Ltd. (Regent) and Sword Energy Limited (Sword) - Sale and Purchase of a Pipeline and a Meter Station (CC-SWE-205)

On 30 January 2006, the Board approved a joint application dated 15 December 2005 from Regent for the sale and Sword for the purchase of the 0.7 kilometre Regent Coutts Export Pipeline and Meter Station in Alberta.

2. TransCanada Pipelines Limited (TCPL) - Deux Rivières and Stittsville Loops (File 3400-T001-249)

On 19 January 2006, the Board approved an application dated 16 September 2005 from TCPL for approval to construct 37.8 kilometres of 1 064 millimetre (42 inch) pipeline loops on its North Bay Shortcut in two sections, as follows:

- 18.1 km from MLV 1205 + 11.6 km to MLV 1206 (the "Deux Rivières Loop")
- 19.7 km from MLV 1216 + 10.3 km to MLV 1217 (the "Stittsville Loop").

The estimated cost of the facilities is \$99.3 million.

3. Section 58 Applications

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matters Pending

4. Enermark Inc. - Construct the Shekilie Gas Pipeline (File AFP-PA-EN1 2005-001)

On 30 November 2005, Enermark Inc. applied for approval to construct approximately 2.1 kilometres of sweet gas pipeline from a future gas plant facility to be located at a-33-A/94-I-16 in British Columbia to a proposed regulator station at

13-32-1112-12 W6M in Alberta. The construction is proposed to commence on 20 February 2006 and the proposed in-service date is 15 March 2006. The estimated cost of the pipeline is \$396 670.

5. *Marauder Resources West Coast Inc. (Marauder) - Ladyfern Gas Pipeline Project (File PA-MRW 2005-001)*

On 16 December 2005, Marauder applied for approval to construct approximately 5.5 kilometres of natural gas pipeline from a riser adjacent to a proposed Marauder Talisman well site located at 10-27-93-13 W6M in Alberta and ending at a tie-in point adjacent to the existing EnCana Corporation well site located at a-36-H/94-H-1 in British Columbia. Construction of the pipeline would commence during the winter of 2005/2006 and the proposed in-service date is early in the second quarter of 2006. The estimated cost of the project is \$1.7 million.

<i>Resolution No.</i>	<i>Subject</i>
01.2006	Amendments to the Transportation Access Procedures and the Firm Transportation, Non Renewable Toll Schedule of the Mainline Tariff. Purpose - update the procedures and provisions for Existing and New Capacity Open Season.

Matters Pending

4. *Petro-Canada Oil and Gas (PCOG) - Westcoast Energy Inc. (WEI) - Pipeline Tariff (File TT-TC-WEI 17)*

On 6 January 2006, PCOG applied to disallow a portion of the WEI Pipeline Tariff. The application relates to rectifying the discrepancy between the terms required by WEI from existing shippers to relocate existing transportation service compared with the terms required from new shippers in relation to the same Zone 3 Transport Service under the Pipeline Tariff. On 19 January 2006, the Board decided to seek comments of interested parties on the application.

5. *TransCanada PipeLines Limited B.C. System (TCPL) - Short Term Firm Service (STFS) Amendment Application (File ATT-ATC-TCB 02)*

On 2 November 2005, TCPL applied for an order or orders approving pricing and other service attribute modifications to STFS-1 on the B.C. System and associated amendments to the Gas Transportation Service Documents (GTSD) to be effective 1 January 2006. On 15 November 2005, the Board decided to seek comments on the application from interested parties.

On 21 December 2005, the Board approved, on an interim basis, an application dated 1 December 2005 from TCPL for rates and charges and amendments to the GTSD effective 1 January 2006.

6. *Westcoast Energy Inc. (WEI) - Interim and Final Tolls for the Year 2006 (File ATT-AFT-WEI 19)*

On 16 and 28 December 2005, the Board approved interim tolls effective 1 January 2006.

On 28 November 2005, WEI applied for approval of interim and final tolls for its mainline transmission services to be in effect for a one-year period commencing 1 January 2006. With respect to the interim transmission tolls to be in effect 1 January 2006, Westcoast has reached agreement with respect to the level of such tolls with its Toll and Tariff Task Force (TTTF).

Traffic, Tolls and Traiffs Matters

Matters Completed

1. *Enbridge Pipeline Inc. (Enbridge) - Negotiated Toll Settlement (File TT-IT-ENB 08)*

On 27 January 2006, the Board approved an application dated 19 December 2005 from Enbridge for approval of a toll settlement negotiated with the Canadian Association of Petroleum Producers. The agreed upon methodology is expected to form the basis for the calculation of Enbridge's revenue requirements and the resulting tolls for the years 2005-2009 inclusive. The Board had sought comments from interested parties on the application.

2. *Terasen Pipelines (Trans Mountain) Inc. - Amend Interim Tolls (File 4400-T099-1)*

On 27 January 2006, the Board approved an application dated 11 January 2006 from Terasen to change the interim tolls for 2006 previously approved by the Board on 22 December 2005. Terasen stated that two tolls included in the tariff filed on 20 December 2005 were incorrect. The Board had sought comments from interested parties on the request.

3. *TransCanada PipeLines Limited) - Resolution of the 2006 Toll Task Force (File TT-TC-TCP 27)*

On 23 January 2006, the Board approved the resolution described below.

The proposed interim tolls have been agreed to without prejudice to any position that WEI or the members of the TTTF may advance in the 2006 Toll Application. WEI intends to engage in discussions with its stakeholders in an attempt to reach a negotiated settlement of its final 2006 tolls. WEI anticipates that it will be in a position to update

the Board on the progress of these discussions early in 2006. WEI requested that the Board delay establishing a procedure to deal with the toll application until after WEI has discussed process requirements with its stakeholders.

Appeal

Appeal Pending

1. *Flint Hill Resources - Application for Leave to Appeal - RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc.

to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99) and the National Energy Board Processing Plant Regulations (PPR)*

The Board intends to amend the above regulations to require companies under its jurisdiction to develop and implement a pipeline security management program. As an interim step, prior to the promulgation of amendments to these regulations, the Board provided companies with a Notice of Proposed Regulatory Change (NOPRC). The NOPRC describes the proposed changes to the regulations. Once all of the comments are received regarding the NOPRC, the Board will release a Proposed Regulatory Change (PRC). The PRC will form a basis for the Board's interim pipeline security management expectations prior to any changes regarding security to the OPR-99 or PPR.

2. *Cost Recovery Regulations - Electricity - Review (File 175-A000-72-2)*

The Board is reviewing the *National Energy Board Cost Recovery Regulations* as they relate to the

allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders. As part of the review, the Board held workshops on 9 December 2004 in Calgary, on 2 June 2005 in Montréal and on 16 January 2006 in Toronto.

3. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it had completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under Acts and Regulations.

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

4. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought

comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board and the Department of Indian Affairs and Northern Development. These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the Offshore Accord Acts.

The intent of the current project is to have goal-oriented D&PR in force by approximately the end of 2006. The goal-oriented D&PR project will

build on draft D&PR that were developed as part of a previous project in 2000; however, several circumstances combined to delay the previous project and prevent those draft D&PR from coming into force.

5. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

6. *The Canada Oil and Gas Geophysical Operations Regulations*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Focus on Safety and Environment - A Comparative Analysis of Pipeline Performance 2000-2004

In March 2006, the Board expects to release its fourth annual report on the safety, integrity and environmental performance of pipelines regulated by the Board compared to the performance reported by other similar organizations.

Scheduled Energy Market Assessments (EMA) for 2006

1. *Technologies émergentes en production d'électricité*

This EMA will address renewable and other emerging technologies such as fuel cells, solar cells, wind, biomass, small-hydro and "clean coal," as credible supplemental energy sources continue to grow in Canada. The report is expected to be released in March 2006.

2. *Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential*

The NEB and the British Columbia Ministry of Energy and Mines will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in March 2006.

3. *Natural Gas for Power Generation: Issues and Implications*

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in June 2006.

Instructions for Filing

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Applications and other filings - number of copies to be filed

You may submit your application and other filings to the Board in one of two ways:

1. Electronically: use the *Submit a Document* option on our Web site and mail (see address above) or fax one (1) copy of your documents, or
2. mail twenty-five (25) copies of your documents.

Additional information on filings

Filings and types of documents that can be filed electronically and creating PDF documents: see *Filer's Guide to Electronic Submission* (http://www.neb-one.gc.ca/efile/guide_e.pdf).

Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

Templates providing alternative ways to file your documents and assistance with the provision of multiple copies due to undue financial burden: see *Can't Submit Your Document Electronically? Procedure for Sending Hard Copies* (http://www.neb-one.gc.ca/efile/forms/paper_e.htm).

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Appendix I

Section 58 Applications

Gas Pipelines

<i>Applicant</i>	<i>File/Order</i>	<i>Application</i>	<i>Est. Cost</i>
TransCanada Pipe-Lines Limited	File : PA-TCP-2005-014 Order : XG-T001-01-2006	Application dated 16 September 2005; approved on 19 January 2006. Deux Rivières and Stittsville Loops.	99 300 000

Oil Pipelines

<i>Applicant</i>	<i>File/Order</i>	<i>Application</i>	<i>Est. Cost</i>
Enbridge Pipelines Inc.	File: 3400-E101-72 Order: XO-E101-16-2005	Application dated 19 December 2005; approved on 24 January 2006. Construct receipt facilities at the Cromer Terminal.	1 800 000

Appendix II

Other Filings

<i>Company</i>	<i>Date</i>	<i>Filing</i>
Cochin Pipe Lines Ltd.	6 January	File TT-QSR-CPL 01 June-- Financial and throughput results for the second quarter of 2005.
Cochin Pipe Lines Ltd.	6 January	File 4750-C018-2005-3 - Financial and throughput results for the third quarter of 2005.
TransCanada PipeLines Limited	11 January	File TT-TC-TCP 16 - Status report on the proposed conversion of U.S. dollar senior debt obligations to Canadian dollar obligations.
Terasen Pipelines (Trans Mountain) Inc.	11 January	File TT-IT-TTM 01 - Interim 2006 Tolls, amend Tariff No. 59 filed on 10 January.
Terasen Pipelines (Trans Mountain) Inc.	16 January	File NOMA-TTM 2005-06 - Notification of Operation and Maintenance Activity - Purge the mainline from kilometre post 152 to kilometre post 160 and remove and replace a buckle in the pipeline.
Mirant Americas Energy Marketing, LP	26 January	File AE-P-GENERAL - Application to terminate electricity export permits EPE-142 and EPE-143.
Westcoast Energy Inc.	27 January	File TT-TTC-WEI 01 - Amendments to the Toll Schedule for Raw Gas Transmission Service and the Toll Schedule for Treatment Service effective 1 February 2006.
Enbridge Pipelines (NW) Inc.	30 January	File PA-Enn 2002 002 - Fourth Quarter Reporting, NEB Order MO-19-93 and Amending Order AO-4-MO-19-93.
TransCanada PipeLines Limited	31 January	File TT-TC-TCP 15 - 2005 Mainline Fuel Gas Incentive Program, 2005 Summer Season Report (1 April 2005 to 31 October 2006).

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of February 2006

Public Hearing Applications

Hearing Decision Issued

1. *Coral Energy Canada Inc. (Coral) - TransCanada PipeLines Limited (TCPL) - Firm Transportation Risk Alleviation Mechanism (FT-RAM) - RHW-2-2005 (File ATT-ATC-TCP23)*

On 24 February 2006, the Board approved an application by Coral to modify the FT-RAM for the TCPL Mainline. FT-RAM is a service enhancement being provided on a pilot basis to TCPL's long-haul firm transportation (FT) shippers since 1 November 2004. The FT-RAM pilot program allows long-haul FT shippers to apply unutilized FT demand charges against their cost of interruptible transportation service.

In its application, Coral proposed that the FT-RAM pilot program be extended to short-haul FT contracts in situations where a shipper holds a short-haul contract whose receipt point is also the delivery point of a long-haul FT contract held by the same shipper.

The Board considered Coral's application by way of a written public hearing.

Hearings in Progress

1. *Centra Transmission Holdings Inc. (Centra) - Tolls - RHW-3-2005 (File 4200-C293-1)*

The Board is holding a written public hearing on an application by Centra to change the tolls charged for transportation service on its pipeline system. On 26 January 2006, the Board heard final arguments by teleconference.

Centra owns a 97 kilometre pipeline in Manitoba between Winnipeg and Sprague, and a 90 kilometre pipeline in Ontario between Fort Frances and Rainy River. Centra sells natural gas to large users and distributors in Canada as well as to Centra Minnesota in the United States.

2. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties - Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety and
Security, Environmental
Protection and Economic
Efficiency"**

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The Board is conducting a public hearing which commenced on 25 January 2006 in Inuvik, N.W.T. on the Mackenzie Gas Project which includes the construction of a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station. The Board anticipates that the hearing will be completed in December 2006.

Hearings Scheduled

1. *Sea Breeze Victoria Converter Corporation (Sea Breeze) - Construct an International Power Line (IPL) from Victoria, British Columbia to Port Angeles, Washington - EH-1-2006 (File AFIP-SBC-01)*

The Board will hold a public hearing commencing on 24 April 2006, at a location to be determined, to review an application by Sea Breeze to construct and operate a 150 kilovolt high voltage direct current IPL. The proposed 47 kilometre IPL would extend southward from the Town of View Royal, British Columbia to the Strait of Juan de Fuca and from there to Port Angeles, Washington. Approximately 12 kilometres of the Canadian portion of the proposed IPL will be on land and the remainder in the Strait of Juan de Fuca. Construction of the proposed IPL and a converter station near existing substations on Vancouver Island is tentatively scheduled for November 2006.

On 7 February 2006, the Board held a public information session on its processes in Victoria, British Columbia.

2. *Chevron Canada Limited (Chevron Canada) and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Chevron/Neste) - Priority Destination - MH-2-2005 (Files 4755-T099-3 and 4755-T099-4)*

The Board will hold a public hearing, at a date to be announced, on two applications for orders designating Chevron Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system. The first application is for delivery of crude oil by Chevron Canada, and the

second application is for delivery of isooctane by Chevron/Neste.

Hearing Application Filed

1. *Terasen Pipelines (Trans Mountain) Inc. (Terasen) - TMX Anchor Loop (File 3200-T099-1)*

On 21 February 2006, Terasen applied to construct and operate the TMX Anchor Loop Project. The TMX Anchor Loop Project would consist of a pipeline loop and other facilities to increase the capacity of the Trans Mountain Pipeline by approximately 6 360 cubic metres (40 000 barrels) per day. The anticipated cost of the project is \$400 million.

The proposed facilities include a 762 millimetre pipeline spanning seven kilometres from west of Hinton, Alberta to the Hinton Pump Station, and a 914 millimetre pipeline spanning 151 kilometres, from the Hinton Pump Station to a location near Rearguard, British Columbia. Terasen is also proposing to construct two new electric drive pump stations, the Wolf Pump Station in Alberta, and the Chappel Pump Station in British Columbia.

Proposed Hearing Applications

1. *Gateway Pipeline Inc. (Gateway) - Preliminary Information Package (File ATT-TTC-ENB 02)*

On 9 February 2006, the Board, in consultation with other federal responsible authorities, submitted to the Minister of the Environment a recommendation that the proposed Gateway Project be referred to a review panel in accordance with the *Canada Environmental Assessment Act*.

On 2 November 2005, Gateway, a wholly owned subsidiary of Enbridge Pipelines Inc., filed a Preliminary Information Package (PIP) with the Canadian Environmental Assessment Agency (CEAA), the NEB and other federal departments. The PIP provides detailed information on the major elements of the Gateway Project. It is intended to inform potentially interested parties, and to permit federal regulators to define the regulatory review process to satisfy the requirements of the NEB and the CEAA.

The Gateway Project will consist of a petroleum export pipeline and a condensate import pipeline along the same right-of-way, and a marine terminal. The proposed Petroleum Export Pipeline project would involve a new 1 150 kilometre 762 millimetre diameter pipeline with an initial capacity

of approximately 400 000 barrels per day to transport petroleum from Edmonton, Alberta to Kitimat, British Columbia. The proposed Condensate Import Pipeline would be a 508 millimetre diameter pipeline capable of transporting approximately 150,000 barrels per day from Kitimat to Edmonton. The proposed in-service date is the year 2010 and the estimated cost is \$4 billion.

2. Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Brunswick Pipeline Project (File PA-MNP 2006-001)

On 6 January 2006, M&NP filed with the CEAA and the NEB a Project Description for a proposed 145 kilometre 762 millimetre diameter pipeline from the CanaportTM Liquefied Natural Gas Facility at Mispic Point in Saint John, New Brunswick to a point on the international border near St. Stephen, New Brunswick. M&NP anticipates filing an application in March of 2006.

Filing of the Project Description with the NEB initiates the federal environmental assessment process under the provisions of the *Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements* pursuant to the *Canadian Environmental Assessment Act*. This regulation requires that federal departments with decision-

making responsibility or expert knowledge declare their interest in the project and participate in scoping for the project and environmental assessment.

3. Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Bear Head Pipeline (File PA-MNP 2006-002)

On 6 January 2006, M&NP filed with the CEAA and the NEB a Project Description for a proposed 55 kilometre 762 millimetre diameter pipeline from a liquefied natural gas regasification facility at Bear Head, near Port Hawkesbury, Nova Scotia to a point along the existing M&NP mainline near Goldboro, Nova Scotia. M&NP anticipates filing an application in March of 2006.

Filing of the Project Description with the NEB initiates the federal environmental assessment process under the provisions of the *Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements* pursuant to the *Canadian Environmental Assessment Act*. This regulation requires that federal departments with decision-making responsibility or expert knowledge declare their interest in the project and participate in scoping for the project and environmental assessment.

Non-Public Hearing Applications

Electricity Matters

Matters Completed

1 NorthPoint Energy Solutions Inc. (NES) - Electricity Export (File AE-P-NPS 01)

On 16 February 2006, the Board approved an application dated 10 November 2005 from NES for permits to export up to 1 000 megawatts of power and up to 8 760 gigawatt hours of energy on a firm or interruptible basis per year for a period of 10 years.

2. Ontario Power Generation Inc. and Ontario Energy Trading International Corp. (Applicants) - Electricity Export (File AE-P-OPG-01)

On 24 February 2006, the Board approved an application dated 22 December 2005 from the Applicants for a permit to export up to

12 000 gigawatt hours of interruptible energy per year for a period of 10 years.

Matters under Consideration

3. First Commodities International Inc. (FCII) - Electricity Export (File AE-P-FCI 01)

On 17 November 2005, FCII applied for a permit to export up to 600 gigawatt hours of interruptible energy per year for a period of 10 years.

4. Maritime Electric Company, Limited (MEC) - Electricity Export (File AE-P-MEC 01)

On 17 January 2006, MEC applied for permits to export up to 150 megawatts of power and up to 350 gigawatt hours of energy on a firm and interruptible basis per year for a period of 10 years.

5. **Montana Alberta Tie Ltd. (MATL) - Construct an International Power Line (IPL) from Lethbridge, Alberta to Great Falls, Montana**
(File AFIPL-MAT-01)

On 21 December 2005, MATL applied for approval to construct a 326 kilometre 230 kilovolt alternate current IPL from Lethbridge, Alberta to Great Falls, Montana. Approximately 123 kilometres of the IPL would be in Canada. MATL also proposes to construct a new 230 kilovolt substation and a phase shifting transformer to control the direction of the flow of power near Lethbridge. The proposed IPL would be capable of transferring up to 300 megawatts of power in either direction. The proposed in-service date of the IPL is December 2006.

The Board sought the views of interested parties on this application before issuing a permit or recommending to the Governor-in-Council that a public hearing be held.

Frontier Matter

Matter Completed

1. **Paramount Resources Ltd. - Alter the Condition of a Well**

On 14 February 2006, Paramount received approval to alter the condition of the well Cameron 2M-73 pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulations*.

Pipeline Matters

Matters Completed

1. **Enermark Inc. - Construct the Shekilie Gas Pipeline** (File AFP-PA-EN1 2005-001)

On 6 February 2006, the Board approved an application dated 30 November 2005 from Enermark Inc. to construct approximately 2.1 kilometres of sweet gas pipeline from a future gas plant facility to be located at a-33-A/94-I-16 in British Columbia to a proposed regulator station at 13-32-1112-12 W6M in Alberta. The proposed in-service date is 15 March 2006. The estimated cost of the pipeline is \$395 670.

2. **Marauder Resources West Coast Inc. (Marauder) - Ladyfern Gas Pipeline Project**
(File PA-MRW 2005-001)

On 10 February 2006, the Board approved an application dated 16 December 2005 from Marauder for approval to construct approximately 5.5 kilometres of natural gas pipeline from a riser adjacent to a proposed Marauder Talisman well site located at 10-27-93-13 W6M in Alberta and ending at a tie-in point adjacent to the existing EnCana Corporation well site located at a-36-H/94-H-1 in British Columbia. The proposed in-service date is early in the second quarter of 2006 and the estimated cost of the project is \$1.7 million.

3. Section 58 Applications

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matter Pending

4. **Westcoast Energy Inc. (WEI) - Pipeline Construction, Aitken Creek Crossing**
(File PA-WEI 2006 001)

On 14 February 2006, Westcoast applied to construct an 11 kilometre 323.9 millimetre (12.75-inch) raw gas pipeline connector between the Beg-Jedney Booster Station and the Aitken Creek Extension Pipeline in the Fort St. John, British Columbia gathering system. The proposed project also includes new pig launching and receiving facilities and the reversal of the flow on the Aitken Creek Extension Pipeline. The estimated cost of the pipeline is \$9.4 million and the proposed in-service date is August 2006.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. **TransCanada PipeLines Limited B.C. System (TCPL) - Short Term Firm Service (STFS) Amendment Application** (File ATT-ATC-TCB 02)

On 2 February 2006, the Board approved an application dated 2 November 2005 from TCPL for approval of pricing and other service attribute modifications to STFS-1 on the B.C. System and associated amendments to the Gas Transportation Service Documents (GTSD) to be effective 1 January 2006. The Board had sought comments on the application from interested parties.

2. TransCanada PipeLines Limited - Resolution of the 2006 Toll Task Force (File TT-TC-TCP 26)

On 16 February 2006, the Board approved the resolution described below.

<i>Resolution No.</i>	<i>Subject</i>
03.2006	Approval of amended Mainline Interim Tolls to be effective 1 March 2006.

Matters Pending

3. Petro-Canada Oil and Gas (PCOG) - Westcoast Energy Inc. (WEI) - Pipeline Tariff (File TT-TC-WEI 17)

On 6 January 2006, PCOG applied to disallow a portion of the WEI Pipeline Tariff. The application relates to rectifying the discrepancy between the terms required by WEI from existing shippers to relocate existing transportation service compared with the terms required from new shippers in relation to the same Zone 3 Transport Service under the Pipeline Tariff. On 19 January 2006, the Board decided to seek comments of interested parties on the application.

4. TransCanada PipeLines Limited (TCPL) - Resolution of the 2006 Toll Task Force (File TT-TC-TCP 28)

On 15 February 2006, TCPL applied for approval of the resolution described below.

<i>Resolution No.</i>	<i>Subject</i>
02.2006	Amendments to the Non Renewable Firm Transportation Toll Schedule and the General Terms and Conditions of the Mainline Tariff. Purpose - update the procedures and provisions to allow for alternate receipt points.

5. Trans-Northern Pipelines Inc. (TNPI) - 2006 Tolls (File TT-FT-TNP 13)

On 28 February 2006, TNPI applied for approval of final 2006 tolls. The revenue requirement for 2006 would increase to \$62,946,000 compared to \$60,153,000 in 2005 which results into a 0.4 per cent increase in tolls.

6. Westcoast Energy Inc. (WEI) - Interim and Final Tolls for the Year 2006 (File ATT-AFT-WEI 19)

On 16 and 28 December 2005, the Board approved interim tolls effective 1 January 2006.

On 28 November 2005, WEI applied for approval of interim and final tolls for its mainline transmission services to be in effect for a one-year period commencing 1 January 2006. With respect to the interim transmission tolls to be in effect 1 January 2006, Westcoast has reached agreement with respect to the level of such tolls with its Toll and Tariff Task Force (TTTF).

The proposed interim tolls have been agreed to without prejudice to any position that WEI or the members of the TTTF may advance in the 2006 Toll Application. WEI intends to engage in discussions with its stakeholders in an attempt to reach a negotiated settlement of its final 2006 tolls. WEI anticipates that it will be in a position to update the Board on the progress of these discussions early in 2006. WEI requested that the Board delay establishing a procedure to deal with the toll application until after WEI has discussed process requirements with its stakeholders.

Appeal

Appeal Pending

1. *Flint Hill Resources - Application for Leave to Appeal - RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc. to

recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99) and the National Energy Board Processing Plant Regulations (PPR)*

The Board intends to amend the above regulations to require companies under its jurisdiction to develop and implement a pipeline security management program. As an interim step, prior to the promulgation of amendments to these regulations, the Board provided companies with a Notice of Proposed Regulatory Change (NOPRC). The NOPRC describes the proposed changes to the regulations. Once all of the comments are received regarding the NOPRC, the Board will release a Proposed Regulatory Change (PRC). The PRC will form a basis for the Board's interim pipeline security management expectations prior to any changes regarding security to the OPR-99 or PPR.

2. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99)*

On 2 February 2006, the Board sent to the Department of Justice for review and publication in the *Canada Gazette*, Part I proposed amendments to the OPR-99. The Regulations are being amended to address the comments received from the Standing Joint Committee for the Scrutiny of Regulations. These amendments are related to legal issues and inconsistencies between the English and French versions.

3. *Cost Recovery Regulations - Electricity - Review (File 175-A000-72-2)*

The Board is reviewing the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders. As part of the review, the Board held workshops on 9 December 2004 in Calgary, on 2 June 2005 in Montréal and on 16 January 2006 in Toronto.

4. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it had completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

5. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board and the Department of Indian Affairs and Northern Development. These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the *Offshore Accord Acts*.

The intent of the current project is to have goal-oriented D&PR in force by approximately the end of 2006. The goal-oriented D&PR project will build on draft D&PR that were developed as part

of a previous project in 2000; however, several circumstances combined to delay the previous project and prevent those draft D&PR from coming into force.

6. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

7. *The Canada Oil and Gas Geophysical Operations Regulations*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Board Member

Board Member Patricia McCunn Miller has resigned from the Board, effective 3 March 2006, having accepted an executive position in the private sector.

Focus on Safety and Environment - A Comparative Analysis of Pipeline Performance 2000-2004

In March 2006, the Board expects to release its fourth annual report on the safety, integrity and environmental performance of pipelines regulated by the Board compared to the performance reported by other similar organizations.

Scheduled Energy Market Assessments (EMA) for 2006

1. *Emerging Technologies in Electricity Generation*

This EMA will address renewable and other emerging technologies such as fuel cells, solar

cells, wind, biomass, small-hydro and "clean coal," as credible supplemental energy sources that continue to grow in Canada. The report is expected to be released in March 2006.

2. *Conventional Natural Gas Resources of British Columbia: An Assessment of Ultimate Potential*

The NEB and the British Columbia Ministry of Energy and Mines will be assessing the ultimate potential of conventional natural gas resources of British Columbia. The report is expected to be released in March 2006.

3. *Natural Gas for Power Generation: Issues and Implications*

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in June 2006.

Instructions for Filing

Correspondence

All correspondence should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8
Fax: (403) 292-5503.

Applications and other filings - number of copies to be filed

You may submit your application and other filings to the Board in one of two ways:

1. Electronically: use the *Submit a Document* option on our Web site and mail (see address above) or fax one (1) copy of your documents, or
2. mail twenty-five (25) copies of your documents.

Additional information on filings

Filings and types of documents that can be filed electronically and creating PDF documents: see *Filer's Guide to Electronic Submission* (http://www.neb-one.gc.ca/efile/guide_e.pdf).

Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

Templates providing alternative ways to file your documents and assistance with the provision of multiple copies due to undue financial burden: see *Can't Submit Your Document Electronically? Procedure for Sending Hard Copies* (http://www.neb-one.gc.ca/efile/forms/paper_e.htm).

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Appendix I

Section 58 Applications

Gas Pipelines

<i>Applicant</i>	<i>File/Order</i>	<i>Application</i>	<i>Est. Cost</i>
Enermark Inc	File: PA-ENI 2005-001 Order: XG-E024-02-2006	Application dated 30 November 2005; approved on 6 February 2006. Construct a 2.1 kilometre pipeline from a-33-A/94-I-16 in British Columbia to 13-32-1112-12 W6M in Alberta.	395 670
Marauder Resources West Coast Inc.	File: PA-MRW 2005-001 Order: XG-M158-03-2006	Application dated 16 December 2005; approved on 10 February 2006. Construct a 5.5 kilometre pipeline from 10-27-93-13 W6M in Alberta to a-36-H/94-H-1 in British Columbia.	1 700 000

Appendix II

Other Filings

<i>Company</i>	<i>Date</i>	<i>Filing</i>
TransCanada PipeLines Limited	1 February	File TT-TTC-TCP PC - Report, filed pursuant to Paragraph 3 of Order AO-1-TG-6-89, on Differences between Active Executed Mainline Transportation Contracts and the Pro forma Contracts in the Tariff as of 31 January 2006.
Enbridge Pipelines Inc.	2 February	File PA-ENB 2006 - Decommissioning of Tank 15 and construct Tank 31 at the Edmonton Terminal.
Maritimes & Northeast Pipeline Management Ltd.	6 February	File 4200-M124-4 - Disposition of Deferral Account Balances for 2005, Final Test Period 2006 Toll, Order TG-4-2003.
Maritimes & Northeast Pipeline Management Ltd.	6 February	File TT-FT-MNP 04 - Revised Toll Sheets numbered 6, 7 and 8 to reflect the effective toll during the period 1 January 2006 to 31 December 2006. Also filed the calculation of final test period 2006 tolls.
Westcoast Energy Inc.	7 February	File NOMA-WEI 2005 001 - Notification of Operations and Maintenance Activities, drilling of three boreholes for a proposed river training dyke at 4AL1 km 23.5.
Enbridge Pipelines (Westspur) Inc.	8 February	File NOMA-ENW 2006 1 - Notification of the abandonment of the Nottingham Tank 5-111 located approximately 11 kilometres south east of Alida, Saskatchewan.
TransCanada PipeLines Limited	8 February	File TT-IT-TCP 26 - Application for an order amending interim tolls currently being charged for transportation service on the Mainline effective 1 March 2006.
Enbridge Pipelines Inc.	13 February	File TT-FT-ENB 06 - Spearhead Toll Settlement, Project Support Payment Transfer Agreement between Mobil Pipe Line Company and Enbridge.
Enbridge Pipelines (NW) Inc.	14 February	File TT-QSR-ENN 01 - 2005 Annual Report under Financial Information Regulations under Orders AO-1-TO-2-81, TO-3-98 and TO-4-99 for the period ended 31 December 2005.
Cochin Pipe Lines Ltd.	14 February	File TT-TTC-CPL 01 - Tariff NEB No. 90.
Terasen Pipelines (Trans Mountain) Inc.	15 February	File TT-TTC-TTM 01 - Petroleum Interim Tariff 60 and Refined Petroleum Interim Tariff 28.
Nexen Inc.	17 February	File PA-NXI 2005-001 - Leave to open the 1.3 kilometre Cuthbert natural gas pipeline from Alberta to Saskatchewan.

Appendix II continued

Wascana Pipelines System	17 February	File 4775-P102-1 - Tariff No. 8.4.
Trans Québec & Maritimes Pipeline Inc.	20 February	File TT-QSR-TQM 2005 - Quarterly Surveillance Report for the period ending 31 December 2005.
Maritimes & Northeast Pipeline Management Ltd.	22 February	File PA-MNP 2006 3 - Construct Custody Transfer Station Facilities for Heritage Gas Limited at the Halifax International Airport.
TransCanada PipeLines Limited	22 February	File TT-TC-TCP 29 - Add the new Champlain delivery point at a new point of interconnection near Trois-Rivières between Trans Québec & Maritimes Pipeline Inc. and Société en commandite Gaz Métro.
Enbridge Pipelines Inc.	23 February	File TT-FT-ENB 06 - Spearhead Pipeline Toll Settlement, copy of the Project Support Payment Transfer Agreement between CCPS Transportation, LLC and Enbridge.
Westcoast Energy Inc.	24 February	File TT-TTC-WEI 01 - Amendments to toll schedules effective 1 March 2006.
Westcoast Energy Inc.	24 February	File CC-WEI 2006 1 - Application to purchase the Blair Creek Meter Station in British Columbia.
Foothills Pipe Lines Ltd.	27 February	File TT-TTC-FPL 01 - Amendments to the Foothills Gas Transportation Tariff – Phase 1 and Subsidiary Companies Tariffs of Foothills Pipe Lines (Alta) Ltd., Foothills Pipe Lines (Sask) Ltd. and Foothills Pipe Lines (South B.C.) Ltd.
CanWest Gas Supply Inc.	27 February	File AG-GEN - Revoke natural gas export Licence GL-218.
Foothills Pipe Lines Ltd.	28 February	File TT-QSR-FPL 2005 - Annual Surveillance Report for the year ended 31 December 2005.
Westcoast Energy Inc.	28 February	File TT-QSR-WEI 01 - Annual Surveillance Report, Field Services and Transmission Divisions for the year ended 31 December 2005.
TransCanada PipeLines Limited	28 February	File TT-QSR-TCP 2005 - Mainline System Quarterly Surveillance Report for the year ended 31 December 2005.
TransCanada PipeLines Limited – BC System	28 February	File TT-QSR-TCB 2005 - BC System Quarterly Surveillance Report for the year ended 31 December 2005.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of March 2006

Emerging Technologies in Electricity Generation

On 21 March 2006, the Board issued an Energy Market Assessment Report that focuses on power generation from non-conventional sources. The report, *Emerging Technologies in Electricity*

Generation provides comprehensive information on the status and prospects of non traditional technologies, related issues and regional perspectives.

Northeast British Columbia's Ultimate Potential for Conventional Natural Gas

On 31 March 2006, the Board and the British Columbia Ministry of Energy, Mines and Petroleum Resources issued a joint Energy Market Assessment (EMA), revealing the province has more than enough conventional gas resources to maintain a high level of energy activity for many years.

The EMA reports that as of year end 2003, the remaining gas available for future demand in the northeast area of the province is 35 Trillion cubic feet (Tcf). The EMA reports an increase in

ultimate conventional marketable gas resources of over 1 Tcf. This is up from the 1994 estimate of 50.6 Tcf to 51.9 Tcf. It also shows the province has additional conventional and unconventional gas resources that could be drawn upon in the future. These additional resources are located in B.C.'s northwest and interior basins (the Nechako and Bowser Basins), the southeast portion of the province and offshore.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

"We promote Safety and Security, Environmental Protection and Efficient Energy Infrastructure and Markets"

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Focus of Safety and Environment - A Comparative Analysis of Pipeline Performance

On 30 March 2006, the Board published its fourth annual report on worker and environmental safety. The Board found that increasingly sophisticated Integrity Management Programs are helping to create safer workplaces. For the seventh consecutive year, no fatalities were reported on NEB-regulated pipelines, and for the second year in a row, there were no ruptures.

This year's report contains several improvements: it is more specific in separating the performance data between liquid and gas pipelines, and it contains six new environmental performance indicators in three categories: releases, leaks, and spills.

Aboriginal Consultation in NEB Decisions

In March 2006, the Board published a Questions and Answers document regarding how the Board considers Aboriginal concerns in its regulatory

decision making process. The document is available on our Web site under *Regulatory Documents, Advisory, Aboriginal Consultation*.

Public Hearing Applications

Hearing Decision Issued

1. ***Centra Transmission Holdings Inc. (Centra) - Tolls - RHW-3-2005 (File 4200-C293-1)***

On 23 March 2006, the Board approved an application by Centra to increase the tolls for transportation service on its pipeline system. The Board approved Centra's proposed Total Cost of Service for 2005, subject to a reduction of Income Taxes that will occur because of the Board's decision not to allow Centra to collect the income tax component of its proposed surcharge as part of its demand toll, but rather through the surcharge. The Board also found the cost of capital applied for by Centra to be reasonable, and approved a rate of return on common equity of 12.5 per cent and an equity component of 40 percent.

Hearing Cancelled

1. ***Chevron Canada Limited and Chevron Standard Limited, Neste Canada Inc. and Chevron Canada Limited (Applicants) - Priority Destination - MH-2-2005 (Files 4755-T099-3 and 4755-T099-4)***

On 20 March 2006, the Applicants withdrew their application for orders designating Chevron

Canada's refinery at Burnaby, British Columbia to be a priority destination for the unapportioned delivery of crude oil and isooctane on Terasen Pipelines (Trans Mountain) Inc.'s pipeline system.

Hearing in Progress

1. ***Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties - Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)***

The Board is conducting a public hearing which commenced on 25 January 2006 in Inuvik, N.W.T. on the Mackenzie Gas Project which includes the construction of a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. Other related facilities include compressor stations and a heater station. The Board anticipates that the hearing will be

completed in December 2006.

Hearings Scheduled

1. *Terasen Pipelines (Trans Mountain) Inc. (Terasen) - Procedure for Allocating Westridge Dock Capacity (File ATT-TTC-TTM 01)*

The Board will hold a public hearing commencing on 4 April 2006 in Calgary to hear oral submissions on the Westridge Dock allocation procedure and proposed premium. The Board will hear submissions on the issues below.

- i) The appropriateness of the Westridge Dock Premium.
- ii) The implications of the Premium to Terasen's common carriage requirements.
- iii) Whether the date of nominations for the Westridge Dock should remain at two days before nominations for the rest of the system.
- iv) Whether shippers nominating on the Westridge Dock should be restricted, by number of cargos or by volume.

2. *Sea Breeze Victoria Converter Corporation (Sea Breeze) - Construct an International Power Line (IPL) from Victoria, British Columbia to Port Angeles, Washington - EH-1-2006 (File AFIP-L-SBC-01)*

The Board will hold a public hearing commencing on 1 May 2006 in Victoria, British Columbia to review an application by Sea Breeze to construct and operate a 150 kilovolt high voltage direct current IPL. The proposed 47 kilometre IPL would extend southward from the Town of View Royal, British Columbia to the Strait of Juan de Fuca and from there to Port Angeles, Washington. Approximately 12 kilometres of the Canadian portion of the proposed IPL will be on land and the remainder in the Strait of Juan de Fuca. Construction of the proposed IPL and a converter station near existing substations on Vancouver Island is tentatively scheduled for November 2006.

Hearing Application Filed

1. *Terasen Pipelines (Trans Mountain) Inc. (Terasen) - TMX Anchor Loop (File 3200-T099-1)*

On 21 February 2006, Terasen applied to construct and operate the TMX Anchor Loop Project. The TMX Anchor Loop Project would consist of a pipeline loop and other facilities to increase the capacity of the Trans Mountain pipeline by

approximately 6 360 cubic metres (40 000 barrels) per day. The anticipated cost of the project is \$400 million.

The proposed facilities include a 762 millimetre pipeline spanning seven kilometres from west of Hinton, Alberta to the Hinton Pump Station, and a 914 millimetre pipeline spanning 151 kilometres, from the Hinton Pump Station to a location near Rearguard, British Columbia. Terasen is also proposing to construct two new electric drive pump stations, the Wolf Pump Station in Alberta, and the Chappel Pump Station in British Columbia.

Proposed Hearing Applications

1. *Gateway Pipeline Inc. (Gateway) - Preliminary Information Package (File ATT-TTC-ENB 02)*

On 9 February 2006, the Board, in consultation with other federal responsible authorities, submitted to the Minister of the Environment a recommendation that the proposed Gateway Project be referred to a review panel in accordance with the *Canada Environmental Assessment Act*.

On 2 November 2005, Gateway filed a Preliminary Information Package (PIP) with the Canadian Environmental Assessment Agency (CEAA), the NEB and other federal departments. The PIP provides detailed information on the major elements of the Gateway Project. It is intended to inform potentially interested parties, and to permit federal regulators to define the regulatory review process to satisfy the requirements of the NEB and the CEAA.

The Gateway Project will consist of a petroleum export pipeline and a condensate import pipeline along the same right-of-way, and a marine terminal. The proposed Petroleum Export Pipeline project would involve a new 1 150 kilometre 762 millimetre diameter pipeline with an initial capacity of approximately 400 000 barrels per day to transport petroleum from Edmonton, Alberta to Kitimat, British Columbia. The proposed Condensate Import Pipeline would be a 508 millimetre diameter pipeline capable of transporting approximately 150,000 barrels per day from Kitimat to Edmonton. The proposed in-service date is the year 2010 and the estimated cost is \$4 billion.

2. *Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Brunswick Pipeline Project (File PA-MNP 2006-001)*

On 16 March 2006, the Board, in consultation with the other responsible authorities, recommended to the Minister of Environment Canada, pursuant to section 25 of the *Canada Environmental Assessment Act* (CEA Act), that the project be referred to a review panel and also requested that the panel review be conducted by the Board under the substitution provisions of the CEA Act.

On 6 January 2006, M&NP filed with the CEAA and the NEB a Project Description for a proposed 145 kilometre 762 millimetre diameter pipeline from the CanaportTM Liquefied Natural Gas Facility at Mispic Point in Saint John, New Brunswick to a point on the international border near St. Stephen, New Brunswick.

Filing of the Project Description with the NEB initiates the federal environmental assessment process under the provisions of the *Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements* pursuant to the CEA Act. This regulation requires that federal departments with decision-making responsibility or expert knowledge declare their interest in the project and participate in scoping for the project and environmental assessment.

3. Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Bear Head Pipeline (File PA-MNP 2006-002)

On 6 January 2006, M&NP filed with the CEAA and the NEB a Project Description for a proposed 55 kilometre 762 millimetre diameter pipeline from a liquefied natural gas regasification facility at Bear Head, near Port Hawkesbury, Nova Scotia to a point along the existing M&NP mainline near Goldboro, Nova Scotia.

Filing of the Project Description with the NEB initiates the federal environmental assessment process under the provisions of the *Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements* pursuant to the *Canadian Environmental Assessment Act*. This regulation requires that federal departments with decision-making responsibility or expert knowledge declare their interest in the project and participate in scoping for the project and environmental assessment.

Non-Public Hearing Applications

Electricity Matters

Matters under Consideration

1. First Commodities International Inc. (FCII) - Electricity Export (File AE-P-FCI 01)

On 17 November 2005, FCII applied for a permit to export up to 600 gigawatt hours of interruptible energy per year for a period of 10 years.

2. Maritime Electric Company, Limited (MEC) - Electricity Export (File AE-P-MEC 01)

On 17 January 2006, MEC applied for permits to export up to 150 megawatts of power and up to 350 gigawatt hours of energy on a firm and interruptible basis per year for a period of 10 years.

3. Montana Alberta Tie Ltd. (MATL) - Construct an International Power Line (IPL) from Lethbridge, Alberta to Great Falls, Montana (File AFIP-L-MAT-01)

On 21 December 2005, MATL applied for approval to construct a 326 kilometre 230 kilovolt alternate

current IPL from Lethbridge, Alberta to Great Falls, Montana. Approximately 123 kilometres of the IPL would be in Canada. MATL also proposes to construct a new 230 kilovolt substation and a phase shifting transformer to control the direction of the flow of power near Lethbridge. The proposed IPL would be capable of transferring up to 300 megawatts of power in either direction. The proposed in-service date of the IPL is December 2006.

The Board sought the views of interested parties on this application before issuing a permit or recommending to the Governor-in-Council that a public hearing be held.

4. Yudin Energy Inc (Yuddin) - Electricity Export (File A-P-YEI 01)

On 28 March 2006, Yuddin applied for permits to export up to 204 megawatts of firm power and 894 gigawatt hours of energy per year for a period of 25 years.

Frontier Matter

Matters Completed

1. *Paramount Resources Ltd. - Alter the Condition of two Wells*

On 3 and 17 March 2006, Paramount was given approval to alter the condition of the wells Fort Liard F-36 and Cameron J-74 pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulations*.

2. *Geological, geophysical or geotechnical operations*

One application was approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act*.

Company	Area	Operation ID	Date
Devon Canada Corporation	Beaufort Sea	9438-D031-003E	24 March 2006

Pipeline Matters

Matters Completed

1. *Section 58 Applications*

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matters Pending

2. *Burlington Resources Canada (Hunter) Ltd. (Burlington) - Pipeline construction (File A-FP-PA-BRH 2006 1)*

On 15 March 2006, Burlington applied to construct 1 000 metres of 273 millimetre natural gas pipeline from approximately 65 kilometres east of Tumbler Ridge, British Columbia to approximately 40 kilometres southwest of Beaverlodge, Alberta. The estimated cost of the project is \$2.6 million and the proposed in-service time is the second quarter of 2006.

3. *TransCanada PipeLines Limited (TCPL) - 2007 Eastern Mainline Expansion (File A-FP-PA-TCP 2006 1)*

On 20 March 2006, TCPL applied for approval to construct 6.5 kilometres of 323.9 millimetre pipeline loop from Mainline Valve 805 to Mainline

Line Valve 805 + 6.5 (the "Saint-Sébastien Loop"). TCPL also applied for compressor additions at Station 134 near Bowmanville, Ontario and at Station 1703 near Douglastown, Ontario. The estimated cost of the facilities is \$62.2 million and the proposed in-service date is 1 November 2007.

4. *Westcoast Energy Inc. (WEI) - Pipeline Construction, Aitken Creek Crossing (File PA-WEI 2006 001)*

On 14 February 2006, Westcoast applied to construct 11 kilometres of 323.9 millimetre raw gas pipeline connector between the Beg-Jedney Booster Station and the Aitken Creek Extension Pipeline in the Fort St. John, British Columbia gathering system. The proposed project also includes new pig launching and receiving facilities and the reversal of the flow on the Aitken Creek Extension Pipeline. The estimated cost of the pipeline is \$9.4 million and the proposed in-service date is August 2006.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. *Enbridge Pipelines Inc. (Enbridge) - Receipt Tankage Toll (File A-TT-TTC-ENB 01)*

On 24 March 2006, the Board approved an application dated 6 March 2006 from Enbridge for approval of a Negotiated Toll Settlement on toll issues applicable to receipt tankage. In response to concerns respecting costs and facilities optimization, Enbridge and the Canadian Association of Petroleum Producers initiated negotiations in 2004 to change the current tolling method of receipt tankage on the Enbridge system. The Board had sought comments of interested parties on the settlement.

2. *Foothills Pipe Lines Ltd. (Foothills), Foothills Pipe Lines (Alta) Ltd., Foothills Pipe Lines (Sask) Ltd., Foothills Pipe Lines (South B.C.) Ltd. (File TT-TTC-FPL 01)*

On 23 March 2006, the Board approved an application dated 27 February 2006 from Foothills, and on behalf of subsidiary companies, for approval of amendments to the Tariff and Subsidiary Companies Tariff which includes the implementation of conversion from volume units to energy units effective 1 June 2006. The Board had sought comments from interested parties on the application.

3. TransCanada PipeLines Limited (TCPL) - Resolution of the 2006 Toll Task Force (File TT-TC-TCP 28)

On 20 March 2006, the Board approved the resolution described below.

<i>Resolution No.</i>	<i>Subject</i>
02.2006	Amendments to the Non Renewable Firm Transportation Toll Schedule and the General Terms and Conditions of the Mainline Tariff. Purpose - update the procedures and provisions to allow for alternate receipt points.

4. TransCanada PipeLines Limited (TCPL) - B.C. System - Energy Conversion (File TT-FT-TCB 01)

On 27 March 2006, the Board approved an application dated 1 March 2006 from TCPL for approval of amendments to the B.C. System Gas Transportation Service Documents to complete the conversion of contracts from volume units to energy units effective 1 June 2006. The Board had sought comments from interested parties on the application.

5. Trans-Northern Pipelines Inc. (TNPI) - 2006 Tolls (File TT-FT-TNP 13)

On 17 March 2006, the Board approved an application dated 28 February 2006 from TNPI for approval of final 2006 tolls.

Matters Pending

6. Enbridge Pipelines Inc. (Enbridge) - Final Tolls for Service on Line 9 (File A-TT-IT-ENB 06)

On 24 March 2006, Enbridge applied for approval of final tolls for transportation service on line 9 for the period 1 October 2004 to 31 March 2005. On 31 March 2006, the Board decided to seek comments of interested parties on the application.

7. Petro-Canada Oil and Gas (PCOG) - Westcoast Energy Inc. (WEI) - Pipeline Tariff (File TT-TC-WEI 17)

On 6 January 2006, PCOG applied to disallow a portion of the WEI Pipeline Tariff. The application relates to rectifying the discrepancy between the terms required by WEI from existing shippers to relocate existing transportation service compared with the terms required from new shippers in relation to the same Zone 3 Transport Service under the Pipeline Tariff. On 19 January 2006, the Board decided to seek comments of interested parties on the application.

8. TransCanada PipeLines Limited (TCPL) - Resolution of the 2006 Toll Task Force (File A-TT-FT-TCP 21)

On 15 March 2006, TCPL applied for approval of the resolution described below.

<i>Resolution No.</i>	<i>Subject</i>
04.2006	Approval of a Negotiated Settlement of 2006 Mainline Tolls.

On 31 March 2006, the Board decided to seek comments from interested parties on the application.

Appeal

Appeal Pending

1. Flint Hill Resources - Application for Leave to Appeal - RH-1-2005

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc.

to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Ammendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99) and the National Energy Board Processing Plant Regulations (PPR)*

The Board intends to amend the above regulations to require companies under its jurisdiction to develop and implement a pipeline security management program. As an interim step, prior to the promulgation of amendments to these regulations, the Board provided companies with a Notice of Proposed Regulatory Change (NOPRC). The NOPRC describes the proposed changes to the regulations. Once all of the comments are received regarding the NOPRC, the Board will release a Proposed Regulatory Change (PRC). The PRC will form a basis for the Board's interim pipeline security management expectations prior to any changes regarding security to the OPR-99 or PPR.

2. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99)*

On 2 February 2006, the Board sent to the Department of Justice for review and publication in the *Canada Gazette*, Part I proposed amendments to the OPR-99. The Regulations are being amended to address the comments received from the Standing Joint Committee for the Scrutiny of Regulations. These amendments are related to legal issues and inconsistencies between the English and French versions.

3. *Cost Recovery Regulations - Electricity - Review (File 175-A000-72-2)*

The Board is reviewing the *National Energy Board Cost Recovery Regulations* as they relate to the allocation of costs within the electricity industry. This decision was made following a request from some of the stakeholders. As part of the review, the Board held workshops on 9 December 2004 in Calgary, on 2 June 2005 in Montréal and on 16 January 2006 in Toronto.

4. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it had completed the initial development phase of the above-noted

Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1. The Draft Regulations dated October 2004 are available on the Board's Web site under *Acts and Regulations*.

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

5. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board and the Department of Indian Affairs and Northern Development (Project Working Group). These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the Offshore Accord Acts.

The intent of the current project is to have goal-oriented D&PR in force by approximately the end of 2006. The goal-oriented D&PR project will build on draft D&PR that were developed as part of a previous project in 2000; however, several circumstances combined to delay the previous project and prevent those draft D&PR from coming into force.

On 7 March 2006, the Project Working Group sent a letter to the Canadian Association of Petroleum Producers responding to its comments of 25 October 2005 on the draft regulations. The letter is available on the Board's Web site under "Acts and Regulations".

6. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

7. The Canada Oil and Gas Geophysical Operations Regulations

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Scheduled Energy Market Assessments (EMA) for 2006

1. Natural Gas for Power Generation: Issues and Implications

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in June 2006.

2. Canada's Oil Sands Update: Opportunities and Challenges to 2015

This update will examine the impacts of higher oil prices, escalating input costs, high light to heavy oil price differentials and a stronger Canadian dollar on the production outlook. Also included will be a discussion of new project developments, new pipeline proposals, environmental and

socio-economic challenges, petrochemical prospects, and major issues and uncertainties. The report is expected to be released in June 2006.

3. Short-term Canadian Natural Gas Deliverability, 2006-2008

This report will examine the factors affecting Canadian natural gas production, and will present an outlook for deliverability to the end of 2008. Natural gas production in Canada comes mainly from the Western Canada Sedimentary Basin (WCSB), with some additional production from offshore Nova Scotia. The drilling and well productivity trends in the various areas of the WCSB will be examined in detail to develop a projection of natural gas deliverability. A projection of gas deliverability for offshore Nova Scotia will also be included in the report. The report is expected to be released in October 2006.

Instructions for Filing

Correspondence

All correspondence should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8
Fax: (403) 292-5503.

Applications and other filings - number of copies to be filed

You may submit your application and other filings to the Board in one of two ways:

1. Electronically: use the *Submit a Document* option on our Web site and mail (see address above) or fax one (1) copy of your documents, or
2. mail twenty-five (25) copies of your documents.

Additional information on filings

Filings and types of documents that can be filed electronically and creating PDF documents: see *Filer's Guide to Electronic Submission* (http://www.neb-one.gc.ca/efile/guide_e.pdf).

Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

Templates providing alternative ways to file your documents and assistance with the provision of multiple copies due to undue financial burden: see *Can't Submit Your Document Electronically? Procedure for Sending Hard Copies* (http://www.neb-one.gc.ca/efile/forms/paper_e.htm).

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Appendix I

Section 58 Applications

Oil Pipelines

<i>Applicant</i>	<i>File/Order</i>	<i>Application</i>	<i>Est. Cost</i>
Enbridge Pipelines Inc.	File: 3400-E101-74 Order: XO-E101-02-2006	Application dated 2 February 2006; approved on 10 March 2006. Remove Tank 15 and replace it with Tank 31 at the Edmonton Terminal.	8 300 000
Express Pipeline Ltd.	File: 3400-E092-8 Order: XO-E092-03-2006	Application dated 21 December 2005; approved on 30 March 2006. Construct a lateral tie-in from Gibson Petroleum Ltd.'s Hardisty Terminal to Express' Hardisty Terminal.	1 110 000

Appendix II

Other Filings

<i>Company</i>	<i>Date</i>	<i>Filing</i>
Westcoast Energy Inc.	2 March	File FP-NOMA-WEI 2006 2 - Notification of Operations and Maintenance Activities, corrosion inspection dig at 2L1 km 22.975 which is within a flood plain between two portions of the Pine River.
Foothills Pipe Lines Ltd.	3 March	File 4750-F006-2 - General and Administration Expenses Report for 2005.
Foothills Pipe Lines Ltd.	3 March	File 4750-F006-2 - Correction to the General and Administration Expenses Report for 2004.
Enbridge Pipelines (Westspur) Inc.	6 March	File A-FP-PA-ENW 2006 1 - Purge and deactivate 33.7 km of crude oil pipeline from the Steelman Terminal in Saskatchewan to North Portal Canada-US border.
Maritimes & Northeast Pipeline Management Ltd.	7 March	File A-TT-TTC-MNP 01 - Gas Transportation Tariff, Fuel Retainage Percentage effective 1 April 2006 and revised sheet No. 9 of the Gas Transportation Tariff.
Terasen Pipelines (Trans Mountain) Inc.	8 March	File A-TT-TC-TTM 05 - Revised Petroleum Interim Tariff No. 61 and Refined Petroleum Interim Tariff No. 29.
Express Pipeline Ltd.	8 March	File A-TT-TTC-EPL 01 - NEB Tariff Nos. 70, 71, 72, 73 and 74 effective 1 April 2006.
Westcoast Energy Inc.	9 March	File A-FP-NOSA-WEI 2005 1 - Listing of the Section 58 projects undertaken in 2005 pursuant to Streamlining Orders XG/XO-100-2002 and XG/XO-100-2005.
Enermark Inc.	9 March	File A-FP-PA-ENI 2005 001 - Leave to open the 2.1 km Shekilie gas pipeline from a-33-A/94-I-16 in British Columbia to 13-32-1112-12 W6M in Alberta.
Express Pipeline Ltd.	13 March	File A-TT-TTC-EPL 01 - NEB Tariff No. 74, Supplement No. 1.
Express Pipeline Ltd.	13 March	File A-TT-TTC-EPL 01 - NEB Tariff No. 69, Supplement No. 1.
EnCana Corporation	14 March	File A-FP-CC-ENC 2006 10 - Change of name from EnCana West Ltd. to EnCana Western Resources Ltd.
Terasen Pipeline (Trans Mountain) Inc.	16 March	File A-TT-TTC-TTM 01 - Revised Tariff and Rules and Regulation, Interim Petroleum Tariff No. 62 and Interim Refined Petroleum Tariff No. RP 30.
Enbridge Pipelines Inc.	17 March	File A-FP-NOMA-ENB 2006 1 - Operations and Maintenance Notification, install new upstream densitometer at Cromer Terminal.

Appendix II continued

Vector Pipeline Limited	17 March	File A-TT-IT-VPL 03 - Final Toll Calculation for 2006.
Souris Valley Pipeline Limited	17 March	File A-TT-AUD-SVP-01 - Audited Financial Statements for the years ending 31 December 2004 and 2005.
ConocoPhillips Canada	17 March	File A-FP-CC-DMI 2005 1 - Change of name from Petroleum Transmission Company to Duke Energy Empress Management Inc.
Express Pipeline Ltd.	22 March	File A-TT-TTC-EPL 01 - NEB Tariff No. 69, Supplement No. 2.
Express Pipeline Ltd.	22 March	File A-TT-TTC-EPL 01 - NEB Tariff No. 74, Supplement No. 2.
Westcoast Energy Inc.	24 March	File A-TT-TTC-WEI 01 - Tariff Supplement: Grizzly Valley Constraint Process effective 27 March 2006.
Montreal Pipe Line Limited	24 March	File A-FP-NOSA-MPL-2005-1 - Financial Statements for the year 2005 and a list of projects undertaken under Streamlining Order XG/XO-100-2002.
Enbridge Pipelines Ltd.	27 March	File A-FP-NOSA-ENB 2005 1 - Year 2005 expenditures undertaken under NEB Streamlining Orders XG/XO-100-2000 and XG/XO-100-2002.
Maritimes & Northeast Pipeline Management Ltd.	28 March	File A-TT-QSR-MNP-DECEMBER - Annual Surveillance Report for the period ending 31 December 2005.
Vector Pipeline Limited	28 March	File A-FP-NOSA-VPL 2005 1 - Projects undertaken under Streamlining Order XG/XO-100-2005.
EnCana Ekwan Pipeline Inc.	30 March	File A-TT-TTC-EEP 01 - Toll Schedule effective 1 April 2006.
Westcoast Energy Inc.	30 March	File A-TT-TTC-WEI 01 - Toll Schedule for Raw Gas Transmission Service in the Grizzly Valley, Fort Nelson and Fort St. John RGT Systems; Toll Schedule for Treatment Service at the Fort Nelson, McMahon, Pine River and Sikanni Processing Plants; and Toll Schedule for Liquids Recovery Service.
Alliance Pipeline Ltd.	31 March	File A-FP-NOSA-ALL-2005-1 - Projects undertaken under Streamlining Order XG/XO-100-2005.
Terasen Pipelines (Trans Mountain) Inc.	31 March	File A-TT-TTC-TTM 01 - Projects undertaken under Streamlining Order XG/XO-100-2005.
Express Pipeline Ltd.	31 March	File A-TT-TTC-EPL 01 - Projects undertaken under Streamlining Order XG/XO-100-2005.
Enbridge Pipelines Inc.	31 March	File A-TT-TTC-ENB 01 - 2006 tolls and tariffs for Line 8.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this Regulatory Agenda is the month of April 2006

Public Hearing Applications

Hearing Decision Issued

1. *Terasen Pipelines (Trans Mountain) Inc. (Terasen) - Procedure for Allocating Westridge Dock Capacity (File ATT-TTC-TTM 01)*

On 11 April 2006, the Board approved the inclusion of a Premium in the Terasen Tariff as a means of allocating capacity to the Westridge Dock. The Board held a public hearing on 4 April 2006 in Calgary on the application.

Hearing in Progress

1. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties - Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

The Board is holding a public hearing since 25 January 2006 on the Mackenzie Gas Project which includes the construction of a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells,

N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. The Board anticipates that the hearing will be completed in December 2006.

Hearing Scheduled

1. *Sea Breeze Victoria Converter Corporation (Sea Breeze) - Construct an International Power Line (IPL) from Victoria, British Columbia to Port Angeles, Washington - EH-1-2006 (File AFIP-SBC-01)*

The Board will hold a public hearing commencing on 1 May 2006 in Victoria, British Columbia on an application by Sea Breeze to construct a 150 kilovolt high voltage direct current IPL. The proposed 47 kilometre IPL would extend southward from the Town of View Royal, British Columbia to the Strait of Juan de Fuca and from there to Port Angeles, Washington. Approximately 12 kilometres of the Canadian portion of the proposed IPL will be on land and the remainder in the Strait of

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety and
Security, Environmental
Protection and Efficient Energy
Infrastructure and Markets"**

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Juan de Fuca. Construction of the proposed IPL and a converter station near existing substations on Vancouver Island is tentatively scheduled for November 2006.

2. Terasen Pipelines (Trans Mountain) Inc. (Terasen) - TMX Anchor Loop - OH-1-2006 (File 3200-T099-1)

The Board will hold a public hearing commencing on 8 August 2006, at a location to be announced, to review an application by Terasen to construct and operate the TMX Anchor Loop Project. The TMX Anchor Loop Project would consist of 158 kilometres of pipeline loop and other facilities to increase the capacity of the Trans Mountain pipeline by approximately 6 360 cubic metres (40 000 barrels) per day. The anticipated cost of the project is \$400 million.

Proposed Hearing Applications

1. Gateway Pipeline Inc. (Gateway) - Preliminary Information Package (File ATT-TTC-ENB 02)

On 9 February 2006, the Board, in consultation with other federal responsible authorities, submitted to the Minister of the Environment a recommendation that the proposed Gateway Project be referred to a review panel in accordance with the *Canada Environmental Assessment Act*.

On 2 November 2005, Gateway filed a Preliminary Information Package with the Canadian Environmental Assessment Agency, the NEB and other federal departments. The Gateway Project would consist of two pipelines, one for petroleum export and one for condensate import, along the same right-of-way, and a marine terminal. The proposed Petroleum Export Pipeline would be a 762 millimetre diameter pipeline with an initial capacity of approximately 400 000 barrels per day to transport petroleum from Edmonton,

Alberta to Kitimat, British Columbia. The proposed Condensate Import Pipeline would be a 508 millimetre diameter pipeline capable of transporting approximately 150,000 barrels per day from Kitimat to Edmonton. The proposed in-service date is the year 2010 and the estimated cost is \$4 billion.

2. Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Brunswick Pipeline Project (File PA-MNP 2006-001)

On 16 March 2006, the Board, in consultation with the other responsible authorities, recommended to the Minister of Environment Canada, pursuant to section 25 of the *Canada Environmental Assessment Act* (CEA Act), that the project be referred to a review panel and also requested that the panel review be conducted by the Board under the substitution provisions of the CEA Act.

On 6 January 2006, M&NP filed with the Canadian Environmental Assessment Agency and the NEB a Project Description for a proposed 145 kilometre 762 millimetre diameter pipeline from the Canaport™ Liquefied Natural Gas Facility at Mispec Point in Saint John, New Brunswick to a point on the international border near St. Stephen, New Brunswick.

3. Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Bear Head Pipeline (File PA-MNP 006-002)

On 6 January 2006, M&NP filed with the Canadian Environmental Assessment Agency and the NEB a Project Description for a proposed 55 kilometre 762 millimetre diameter pipeline from a liquefied natural gas regasification facility at Bear Head, near Port Hawkesbury, Nova Scotia to a point along the existing M&NP mainline near Goldboro, Nova Scotia.

Non-Public Hearing Applications

Electricity Matters

Matters under Consideration

1. First Commodities International Inc. (FCII) - Electricity Export (File AE-P-FCI 01)

On 17 November 2005, FCII applied for a permit to export up to 600 gigawatt hours of interruptible energy per year for a period of 10 years.

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On 21 December 2005, MATL applied for approval to construct a 326 kilometre 230 kilovolt alternate current IPL from Lethbridge, Alberta to Great Falls, Montana. Approximately 123 kilometres of the IPL would be in Canada. MATL also proposes

to construct a new 230 kilovolt substation and a phase shifting transformer to control the direction of the flow of power near Lethbridge. The proposed IPL would be capable of transferring up to 300 megawatts of power in either direction. The proposed in-service date of the IPL is December 2006. The Board sought the views of interested parties on this application before issuing a permit or recommending to the Governor-in-Council that a public hearing be held.

3. *Maritime Electric Company, Limited (MEC) - Electricity Export (File AE-P-MEC 01)*

On 17 January 2006, MEC applied for permits to export up to 150 megawatts of power and up to 350 gigawatt hours of energy on a firm and interruptible basis per year for a period of 10 years.

4. *Yudinn Energy Inc (Yudinn) - Electricity Export (File A-PYEI 01)*

On 28 March 2006, Yudinn applied for permits to export up to 204 megawatts of firm power and 894 gigawatt hours of energy per year for a period of 25 years.

Frontier Matter

One new application was received in April under section 5.1(b) of the *Canada Oil and Gas Operations Act*.

All applications are still being reviewed.

1. *Frontier Geological / Geophysical activities for April 2006*

No new application for geological, geophysical or geotechnical operation authorization were received in April. One (1) new application was approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act*.

Company	Area	Operation ID	Date
BG Canada	Colville Hills	9238-B071-001E	12 April 2006
	Heli-Gravity		
	Survey 2006		

Pipeline Matters

Matter Completed

1. *Section 58 Applications*

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of

pipelines not exceeding 40 kilometres in length. See Appendix I.

Matters Pending

1. *Burlington Resources Canada (Hunter) Ltd. (Burlington) - Pipeline Construction (File A-FP-PA-BRH 2006 1)*

On 15 March 2006, Burlington applied to construct 1 000 metres of 273 millimetre natural gas pipeline from approximately 65 kilometres east of Tumbler Ridge, British Columbia to approximately 40 kilometres southwest of Beaverlodge, Alberta. The estimated cost of the project is \$2.6 million and the proposed in-service time is the second quarter of 2006.

2. *TransCanada PipeLines Limited (TCPL) - 2007 Eastern Mainline Expansion (File A-FP-PA-TCP 2006 1)*

On 20 March 2006, TCPL applied for approval to construct 6.5 kilometres of 323.9 millimetre pipeline loop from Mainline Valve 805 to Mainline Line Valve 805 + 6.5 (the "Saint-Sébastien Loop"). TCPL also applied for compressor additions at Station 134 near Bowmanville, Ontario and at Station 1703 near Douglastown, Ontario. The estimated cost of the facilities is \$62.2 million and the proposed in-service date is 1 November 2007.

3. *Westcoast Energy Inc. (WEI) - Pipeline Construction, Aitken Creek Crossing (File PA-WEI 2006 001)*

On 14 February 2006, WEI applied to construct 11 kilometres of 323.9 millimetre raw gas pipeline connector between the Beg-Jedney Booster Station and the Aitken Creek Extension Pipeline in the Fort St. John, British Columbia gathering system. The proposed project also includes new pig launching and receiving facilities and the reversal of the flow on the Aitken Creek Extension Pipeline. The estimated cost of the pipeline is \$9.4 million and the proposed in-service date is August 2006.

Traffic, Tolls and Tariffs Matters

Matters Completed

1. *Enbridge Pipelines Inc. (Enbridge) - Final Tolls for Service on Line 9 (File A-TT-IT-ENB 06)*

On 12 April 2006, the Board approved an application dated 24 March 2006 from Enbridge for approval of final tolls for transportation

service on line 9 for the period 1 October 2004 to 31 March 2005. The Board had sought comments of interested parties on the application.

2. Centra Transmission Holdings Inc. (CTHI) - Approval of Final 2005 Rates (File ATT AFTCTH 001 (4200-C293-1))

On 20 April 2006, the Board approved the revised schedules and final toll calculations, including shipper-specific surcharges and supporting calculations.

3. Enbridge Pipelines Inc. (Enbridge) - Final Tolls for Service on Line 9 (File A-TT-FT-ENB 11)

On 26 April 2006, the Board approved an application dated 12 April 2006 from Enbridge for approval of final tolls for 2006.

4. Westcoast Energy Inc. (Westcoast) - Interim Tolls for Transmission (File A0-02-TGI-03-2005)

On 28 April 2006, the Board approved an application dated 21 April 2006 from Westcoast to adjust 2006 interim tolls for transmission.

Matters Pending

1. Petro-Canada Oil and Gas (PCOG) - Westcoast Energy Inc. (WEI) - Pipeline Tariff (File TT-TC-WEI 17)

On 6 January 2006, PCOG applied to disallow a portion of the WEI Pipeline Tariff. The application relates to rectifying the discrepancy between the terms required by WEI from existing shippers to

relocate existing transportation service compared with the terms required from new shippers in relation to the same Zone 3 Transport Service under the Pipeline Tariff. On 19 January 2006, the Board sought comments of interested parties on the application.

2. TransCanada Pipelines Limited (TCPL) - Resolution of the 2006 Toll Task Force (File A-TT-FT-TCP 21)

On 15 March 2006, TCPL applied for approval of the resolution described below.

Resolution No.	Subject
04.2006	Approval of a Negotiated Settlement of 2006 Mainline Tolls.

On 31 March 2006, the Board sought comments from interested parties on the application.

3. TransCanada Pipelines Limited (TCPL) - Resolution of the 2006 Toll Task Force (File A-TT-TC-TCP 30)

On 7 April 2006, TCPL applied for approval of the resolution described below.

Resolution No.	Subject
05.2006	Amendments to the Interruptible Transportation Toll Schedule to extend the Firm Transportation Risk Alleviation Mechanism pilot to 31 October 2007.

Appeal

Appeal Pending

1. Flint Hill Resources - Application for Leave to Appeal - RH-1-2005

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc.

to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99) and the National Energy Board Processing Plant Regulations (PPR)*

The Board intends to amend the above regulations to require companies under its jurisdiction to develop and implement a pipeline security management program.

2. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99)*

On 2 February 2006, the Board sent to the Department of Justice for review and publication in the *Canada Gazette*, Part I proposed amendments to the OPR-99. These amendments are related to legal issues and inconsistencies between the English and French versions.

3. *Cost Recovery Regulations - Electricity - Review (File 175-A000-72-2)*

On 13 April 2006, the Board issued a summary report of the proposed amendments to the *National Energy Board Cost Recovery Regulations*, reflecting industry comments and the Board's modifications to the proposed Electricity Cost Recovery Concept issued on 24 February 2006. The modified concept contains proposed amendments that apply to all companies to whom the Regulations apply.

4. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it had completed the initial development phase of the above-noted Regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1.

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

5. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board and the Department of Indian Affairs and Northern Development (Project Working Group). These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the *Offshore Accord Acts*.

6. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

7. *The Canada Oil and Gas Geophysical Operations Regulations*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Scheduled Energy Market Assessments (EMA) for 2006

1. *Natural Gas for Power Generation: Issues and Implications*

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in June 2006.

2. *Canada's Oil Sands Update: Opportunities and Challenges to 2015*

This update will examine the impacts of higher oil prices, escalating input costs, high light to heavy oil price differentials and a stronger Canadian dollar on the production outlook. Also included will be a discussion of new project developments, new pipeline proposals, environmental and socio-economic challenges, petrochemical prospects, and major issues and uncertainties. The report is expected to be released in June 2006.

3. *Short-term Canadian Natural Gas Deliverability, 2006-2008*

This report will examine the factors affecting Canadian natural gas production, and will present an outlook for deliverability to the end of 2008. Natural gas production in Canada comes mainly from the Western Canada Sedimentary Basin (WCSB), with some additional production from offshore Nova Scotia. The report is expected to be released in October 2006.

Instructions for Filing

Correspondence

All correspondence should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 -
Fax: (403) 292-5503.

Applications and other filings, number of copies to be filed

You may submit your application and other filings to the Board in one of two ways:

1. Electronically: use the *Submit a Document* option on our Web site and mail (see address above) or fax one (1) copy of your documents, or
2. mail twenty-five (25) copies of your documents.

Addition information on filings

Filings and types of documents that can be filed electronically and creating PDF documents: see *Filer's Guide to Electronic Submission* (http://www.neb-one.gc.ca/efile/guide_e.pdf).

Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

Templates providing alternative ways to file your documents and assistance with the provision of multiple copies due to undue financial burden: see *Can't Submit Your Document Electronically? Procedure for Sending Hard Copies* (http://www.neb-one.gc.ca/efile/forms/paper_e.htm).

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For a current list of the telephone numbers of Board Members and key staff, see our Internet site under the heading *About Us, Our People*.

National Energy Board

Michel L. Mantha

Secretary

For information:

Carole Léger-Kubeczek

Communications Officer

Telephone: (403) 299-2717

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Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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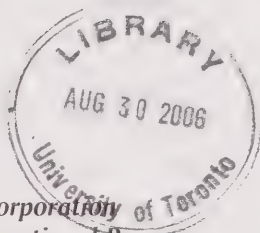
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Hearing in Progress

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On 29 and 30 May 2006, a public hearing was held in Fort Good Hope to hear evidence of a generic nature. Evidence about tolls and tariffs was also presented.

On 25 January 2006, the Board held a public hearing on the Mackenzie Gas Project which includes the construction of a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. The Board anticipates that the hearing will be completed in December 2006.

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The oral hearing to be held in Victoria, British Columbia, on 1 May 2006 has been postponed to 26 June 2006.

The hearing is to consider an application by Sea Breeze to construct a 150 kilovolt high voltage direct current IPL. The proposed 47 kilometre IPL would extend southward from the Town of View Royal, British Columbia to the Strait of Juan de Fuca and from there to Port Angeles, Washington. Approximately 12 kilometres of the Canadian portion of the proposed IPL will be on land and the remainder in the Strait of Juan de Fuca. Construction of the proposed IPL and a converter station near existing substations on Vancouver Island is tentatively scheduled for November 2006.

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2. Terasen Pipelines (Trans Mountain) Inc. (Terasen) - TMX Anchor Loop - OH-1-2006 (File 3200-T099-1)

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2. Emera Brunswick Pipeline Company Ltd. (EBPC) - Brunswick Pipeline Project (File PA-MNP 2006-001)

On 23 May 2006, an application was received from EBPC who has taken over ownership of the Brunswick Pipeline Project from Maritimes & Northeast Pipeline Management Ltd (M&NP).

On 5 May 2006, the Board released the Environmental Assessment Scoping Document inviting the public to comment. The deadline for comments is 6 June 2006.

On 16 March 2006, the Board, in consultation with the other responsible authorities, recommended to the Minister of Environment Canada, pursuant to section 25 of the *Canadian Environmental Assessment Act* (CEA Act), that the project be referred to a review panel and also requested that the panel review be conducted by the Board under the substitution provisions of the CEA Act.

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Non-Public Hearing Applications

Electricity Matters

Matter Completed

1. *ATCO Power Ltd. (APL) on behalf of ATCO Power Canada Ltd. (APC) and Alberta Power (2000) Ltd. (APL 2000) - Application for Electricity Export Permits*

On 19 May 2006, the Board issued two export permits to APL. The first permit (EPE-287) authorizes the export of interruptible energy and a second permit (EPE-288) authorizes the export of firm power and energy. These permits allow the export of energy at points on the international boundary between Canada and the United States of America and in both cases the term extends from 19 May 2006 and ends 18 May 2016.

Matters Under Consideration

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On 17 November 2005, FCII applied for a permit to export up to 600 gigawatt hours of interruptible energy per year for a period of 10 years.

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On 21 December 2005, MATL applied for approval to construct a 326 kilometre 230 kilovolt alternate current IPL from Lethbridge, Alberta to Great Falls, Montana. Approximately 123 kilometres of the IPL would be in Canada. MATL also proposes to construct a new 230 kilovolt substation and a phase shifting transformer to control the direction of the flow of power near Lethbridge. The proposed IPL would be capable of transferring up to 300 megawatts of power in either direction. The proposed in-service date of the IPL is December 2006. The Board sought the views of interested parties on this application before issuing a permit or recommending to the Governor-in-Council that a public hearing be held.

3. *Maritime Electric Company, Limited (MEC) - Electricity Export (File AE-P-MEC 01)*

On 17 January 2006, MEC applied for permits to export up to 150 megawatts of power and up

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4. *Yudinn Energy Inc. (Yuddin) - Electricity Export (File A-P-YEI 01)*

On 28 March 2006, Yuddin applied for permits to export up to 204 megawatts of firm power and 894 gigawatt hours of energy per year for a period of 25 years.

Frontier Matters

No new drilling applications were received in May under section 5.1(b) of the *Canada Oil and Gas Operations Act*.

All other applications are still being reviewed.

One (1) new application for geological, geophysical or geotechnical operation authorization was received in May.

Outstanding applications are being reviewed.

In the matter of the Encana Umiak N-05 Significant Discovery Application dated 19 December 2005, the Board has declared the following lands to be part of a Significant Discovery on 5 April 2006:

Latitude	Longitude	Sections
69° 30'	134° 00' W	48, 55, 56, 57, 58
69° 30'	134° 15' W	5, 6, 7, 15, 16, 24, 25, 26, 34, 35, 36

Gas Matters

Matter Completed

1. *ProGas Limited (ProGas) - Application for revocation of Gas Export Licences GL-129 (File 7200-P38-1-2) and GL-161 (File 7200-P038-1-3)*

On 15 May 2006, the Board approved the revocation of two export licences granted to ProGas under Licence GL-129 and GL-161 as the company no longer requires such rights and privileges.

Pipeline Matters

Matters Completed

1. *Section 58 Applications*

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

2. *Samson Canada (Samson) Ltd. and Delphi Energy Corporation (Delphi) - Pesh-Petitot Pipeline (File A-FP-CC-DEC 2006 1)*

On 31 May 2006, Samson was given approval pursuant to section 74(1)(a) and (b) of the *National Energy Board Act*, to convey its interest in the pipeline to Delphi; leave was granted to Delphi to acquire the interest in the pipeline from Samson. The applicants have until 30 August 2006 to confirm completion of the transaction.

3. *EnCana Oil and Gas Co. Ltd. on behalf of the EnCana Oil and Gas Partnership (EnCana) - Tupper South Pipeline Loop (File A-FP-PA-EOG-2005-001)*

On 4 May 2006, the Board granted EnCana's request to extend the construction schedule for the Tupper South Pipeline Loop until the fall of 2006 or the winter of 2006/2007 as it "more closely aligns the completion and commissioning of the Tupper South Pipeline Loop with EnCana's anticipated need for the incremental pipeline capacity which will be provided by the pipeline."

4. *Burlington Resources Canada (Hunter) Ltd. (BRCHL) - Hiding Creek NPS 10 Loop Pipeline (File 3400-B105-2)*

On 12 May 2006, the Board approved BRCHL's application to construct and operate the Hiding Creek NPS 10 Loop Pipeline, a 9.9 km non-sour gas pipeline that would cross the British Columbia – Alberta border. In addition, pursuant to section 20 and subsection 129(1.1) of the *National Energy Board Act*, BRCHL has been granted exemption from the requirements to file audited financial statements each fiscal year.

5. *First Commodities International Inc. (File OF-IE-Elec-F080-01)*

On 19 May 2006, the Board examined and approved the transfer of export permit EPE-283 from First Commodities Inc. to First Commodities Ltd.

Matters Pending

1. *Burlington Resources Canada (Hunter) Ltd. (Burlington) - Pipeline Construction (File A-FP-PA-BRH 2006 1)*

On 15 March 2006, Burlington applied to construct 1 000 metres of 273 millimetre natural gas pipeline from approximately 65 kilometres east of Tumbler Ridge, British Columbia to approximately 40 kilometres southwest of Beaverlodge, Alberta. The estimated cost of the project is \$2.6 million and the proposed in-service date is the second quarter of 2006.

2. *TransCanada PipeLines Limited (TCPL) - 2007 Eastern Mainline Expansion (File A-FP-PA-TCP 2006 1)*

On 20 March 2006, TCPL applied for approval to construct 6.5 kilometres of 323.9 millimetre pipeline loop from Mainline Valve 805 to Mainline Line Valve 805 + 6.5 (the "Saint-Sébastien Loop"). TCPL also applied for compressor additions at Station 134 near Bowmanville, Ontario and at Station 1703 near Douglastown, Ontario. The estimated cost of the facilities is \$62.2 million and the proposed in-service date is 1 November 2007.

3. *Westcoast Energy Inc. (WEI) - Pipeline Construction, Aitken Creek Crossing (File PA-WEI 2006 001)*

On 19 May 2006, the Board approved the application submitted by WEI and also granted an exemption for this project from the provisions of paragraph 30(1)(a) and section 31 of the *National Energy Board Act*.

On 14 February 2006, Westcoast applied to construct 11 kilometres of 323.9 millimetre raw gas pipeline connector between the Beg-Jedney Booster Station and the Aitken Creek Extension Pipeline in the Fort St. John, British Columbia gathering system. The proposed project also includes new pig launching and receiving facilities and the reversal of the flow on the Aitken Creek Extension Pipeline. The estimated cost of the pipeline is \$9.4 million and the proposed in-service date is August 2006.

Traffic, Tolls and Tariffs Matters

Matters Pending

1. *Petro-Canada Oil and Gas (PCOG) - Westcoast Energy Inc. (WEI) - Pipeline Tariff (File TT-TC-WEI 17)*

On 6 January 2006, PCOG applied to disallow a portion of the WEI Pipeline Tariff. The application relates to rectifying the discrepancy between the terms required by WEI from existing shippers to relocate existing transportation service compared with the terms required from new shippers in relation to the same Zone 3 Transport Service under the Pipeline Tariff. On 19 January 2006, the Board sought comments of interested parties on the application.

2. *TransCanada Pipelines Limited (TCPL) - Resolution of the 2006 Toll Task Force (File A-TT-FT-TCP 21)*

On 15 March 2006, TCPL applied for approval of the following resolution.

Resolution No.	Subject
04.2006	Approval of a Negotiated Settlement of 2006 Mainline Tolls.

On 31 March 2006, the Board sought comments from interested parties on the application.

3. *TransCanada Pipelines Limited (TCPL) - Resolution of the 2006 Toll Task Force (File A-TT-TC-TCP 30)*

On 7 April 2006, TCPL applied for approval of the resolution described below.

Resolution No.	Subject
05.2006	Amendments to the Interruptible Transportation Toll Schedule to extend the Firm Transportation Risk Alleviation Mechanism (FT-RAM) pilot to 31 October 2007.

Appeal

Appeal Pending

1. *Flint Hill Resources - Application for Leave to Appeal - RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc.

to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Amendments to Regulations

Regulatory Initiatives Pursuant to the National Energy Board Act

1. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99) and the National Energy Board Processing Plant Regulations (PPR)*

The Board intends to amend the above regulations to require companies under its jurisdiction to develop and implement a pipeline security management program.

2. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99)*

On 2 February 2006, the Board sent to the Department of Justice for review and publication in

the *Canada Gazette*, Part I proposed amendments to the OPR-99. These amendments are related to legal issues and inconsistencies between the English and French versions.

3. *Amendments to the Cost Recovery Regulations (File RDMI-RG-CRECR)*

On 17 May 2006, the Board proposed an amendment for the cost recovery period to match the NEB fiscal year, being 1 April to 31 March. Other amendments will be necessary to create a transitional period to implement the required changes. Once these amendments have been drafted, further opportunities for comments will be provided.

On 13 April 2006, the Board issued a summary report of the proposed amendments to the *National Energy Board Cost Recovery Regulations*, reflecting industry comments and the Board's modifications to the proposed Electricity Cost Recovery Concept issued on 24 February 2006. The modified concept contains proposed amendments that apply to all companies to whom the Regulations apply.

4. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it had completed the initial development phase of the above-noted regulations. The Regulations have been submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part 1.

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act*

5. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board and the Department of Indian Affairs and Northern Development (Project Working Group). These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the Offshore Accord Acts.

6. *Canada Oil and Gas Diving Regulations and Guidance Notes*

For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

7. *The Canada Oil and Gas Geophysical Operations Regulations*

For more information on this matter, refer to item 6 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Scheduled Energy Market Assessments (EMA) for 2006

1. *Natural Gas for Power Generation: Issues and Implications*

This EMA will examine the fastest growing segment of the North American natural gas market with emphasis on Canada. It would provide an outlook for future demand and related issues/implications for transportation services, storage and gas prices. The report is expected to be released in June 2006.

2. *Canada's Oil Sands Update: Opportunities and Challenges to 2015*

This update will examine the impacts of higher oil prices, escalating input costs, high light to heavy oil price differentials and a stronger Canadian dollar on the production outlook. Also included will be a discussion of new project developments, new pipeline proposals, environmental and socio-economic challenges, petrochemical

prospects, and major issues and uncertainties. The report is expected to be released in June 2006.

3. *Short-term Canadian Natural Gas Deliverability, 2006-2008*

This report will examine the factors affecting Canadian natural gas production, and will present an outlook for deliverability to the end of 2008. Natural gas production in Canada comes mainly from the Western Canada Sedimentary Basin (WCSB), with some additional production from offshore Nova Scotia. The report is expected to be released in October 2006.

Instructions for Filing

Correspondence

All correspondence should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8 -
Fax: (403) 292-5503.

Applications and other filings, number of copies to be filed

You may submit your application and other filings to the Board in one of two ways:

1. Electronically: use the *Submit a Document* option on our Web site and mail (see address above) or fax one (1) copy of your documents, or
2. mail twenty-five (25) copies of your documents.

Addition information on filings

Filings and types of documents that can be filed electronically and creating PDF documents: see *Filer's Guide to Electronic Submission* (http://www.neb-one.gc.ca/efile/guide_e.pdf).

Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

Templates providing alternative ways to file your documents and assistance with the provision of multiple copies due to undue financial burden: see *Can't Submit Your Document Electronically? Procedure for Sending Hard Copies* (http://www.neb-one.gc.ca/efile/forms/paper_e.htm).

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Appendix I

Section 58 Applications

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
TransCanada PipeLines Limited	File: AFP-PA-TCP 2005-014 Order: XG-T001-01-2006	On 15 May 2006, the Board concluded that with respect to the environmental protection plan (EPP) dated 5 May 2006 the requirements of conditions 18 and 21 had been met.	n/a
		On 25 May 2006, the Board concluded that TransCanada's revised environmental protection plan complied with the requirements of Condition 15 and, as a result, pre-construction could commence immediately.	n/a
Westcoast Energy Inc. (Duke Energy Gas Transmission Canada)	File: 3400-W005-345 Order: XG-W005-06-2006	Application dated 13 February 2006. Environmental screening report and Order XG-W005-06-2006 were approved on 18 May 2006.	

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of June 2006

General

In June, the National Energy Board released three Energy Market Assessments (EMAs) as well as its second annual report on the Canadian hydrocarbon transportation system. All reports can be obtained using the NEB's web site, www.neb-one.gc.ca under the *Energy, Energy Reports – Index*. Printed copies of reports can be obtained by contacting NEB Publications at (403) 299-3562 or by e-mailing publications@neb-one.gc.ca.

On 1 June, the NEB released *Canada's Oil Sands Opportunities and Challenges to 2015: An Update*. This EMA substantially increased the NEB's estimate for potential output from the Alberta oil sands by nearly 40 per cent, to three million barrels per day by 2015. The report identified numerous development and spinoff opportunities for the oil sands sector while also describing the constraints and pressures the sector is facing.

On 8 June, the NEB presented its summer outlook for Canada's energy markets and highlighted how geopolitical events, weather and storage supplies affect summer energy prices.

On 15 June, the NEB released *Natural Gas for Power: Issues and Implications*. This EMA found that Canada's growing reliance on gas for power could mean higher prices for natural gas and electricity, noting that natural gas demand in Canada is expected to grow by more than 10 per cent by 2010.

On 30 June, the NEB released its second annual *Canadian Hydrocarbon Transportation System Assessment*, which noted that Canadian oil pipelines could face capacity constraints by 2008 due to the increase of heavy crude oil flowing from the Alberta oil sands.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety and
Security, Environmental
Protection and Efficient Energy
Infrastructure and Markets"**

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Public Hearing Applications

Hearings in Progress

1. **Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties - Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)**

On 1 June 2006, the NEB held a general hearing session in Tulita, NWT. On 2 June 2006, a hearing session was held in Yellowknife to hear oral argument on Motion No. 10 by the Mackenzie Explorers Group (MEG).

On 25 January 2006, the Board began public hearings on the Mackenzie Gas Project which includes the construction of a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. The Board anticipates that the evidentiary portion of its hearing will be completed in December 2006.

2. **Sea Breeze Victoria Converter Corporation (Sea Breeze) - Construct an International Power Line (IPL) from Victoria, British Columbia to Port Angeles, Washington - EH-1-2006 (File AFIP-L-SBC-01)**

The oral hearing began in Victoria, British Columbia, on 26 June 2006 and concluded on 28 June.

The hearing is for an application by Sea Breeze to construct a 150 kilovolt high voltage direct current IPL. The proposed 47 kilometre IPL would extend southward from the Town of View Royal, British Columbia to the Strait of Juan de Fuca and from there to Port Angeles, Washington. Approximately 12 kilometres of the Canadian portion of the proposed IPL will be on land and the remainder in the Strait of Juan de Fuca. Construction of the proposed IPL and a converter station near existing substations on Vancouver Island is tentatively scheduled for November 2006.

Hearings Scheduled

1. **Terasen Pipelines (Trans Mountain) Inc. (Terasen) - TMX Anchor Loop - OH-1-2006 (File 3200-T099-1)**

The Board will hold a public hearing to review an application by Terasen to construct and operate the TMX Anchor Loop Project starting on 8 August 2006, at the NEB offices in Calgary.

The TMX Anchor Loop Project would consist of 158 kilometres of pipeline loop and other facilities to increase the capacity of the Trans Mountain pipeline by approximately 6 360 cubic metres (40 000 barrels) per day. The anticipated cost of the project is \$400 million.

This Hearing Order was released on 19 April 2006.

2. **Emera Brunswick Pipeline Company Ltd. (EBPC) - Brunswick Pipeline Project - GH-1-2006 (File PA-MNP 2006-001)**

On 9 June 2006, the NEB released Hearing Order GH-1-2006 for the Brunswick Pipeline Project submitted by Emera Brunswick Pipeline Company Ltd.

The Board will hold a public hearing starting 6 November 2006 at the Hilton Saint John Trade and Convention Centre, in Saint John, New Brunswick.

On 19 and 20 June 2006, the Board hosted two public information sessions in Saint John.

On 23 May 2006, the NEB received an application from EBPC who has taken over ownership of the Brunswick Pipeline Project from Maritimes & Northeast Pipeline Management Ltd (M&NP).

On 5 May 2006, the Board released the Environmental Assessment Scoping Document inviting the public to comment. The deadline for comments was 6 June 2006.

On 16 March 2006, the Board, in consultation with the other responsible authorities, recommended to the Minister of Environment Canada, pursuant to section 25 of the *Canada Environmental Assessment Act* (CEA Act), that the project be referred to a review panel and also requested that the panel review be conducted by the Board under the substitution provisions of the CEA Act.

On 6 January 2006, M&NP filed with the Canadian Environmental Assessment Agency and the NEB a Project Description for a proposed 145 kilometre, 762 millimetre diameter pipeline from the Canaport™ Liquefied Natural Gas Facility at Mispic Point in Saint John, New Brunswick to a point on the international border near St. Stephen, New Brunswick.

3. *TransCanada Pipelines Limited (TransCanada) and TransCanada Keystone GP Ltd. (Keystone) - Transfer of certain pipeline facilities from TransCanada to Keystone. MH-1-2006 (File OF-Fac-G-T241-2006-01) (3400-T241-1)*

On 21 June, the NEB released Hearing Order MH-1-2006 for TransCanada Pipelines Limited (TransCanada) and TransCanada Keystone Pipeline GP Ltd. (Keystone) to transfer certain public facilities from TransCanada to Keystone. TransCanada is also seeking approval to reduce the Canadian mainlines base by the net book value of the the transferred facilities.

The Board will hold a hearing, scheduled to start on Monday 23 October 2006 at the NEB offices in Calgary.

The facilities consist of approximately 860 kilometres of 864 mm pipeline between Burstall, Saskatchewan and Carman, Manitoba. The transferred facilities would be used for crude oil transmission, subject to an application by Keystone to operate oil facilities and build connecting facilities.

4. *TransCanada Pipelines Limited (TransCanada) - application to change the tariff on the Mainline natural gas pipeline. - RH-1-2006 (File OF-Tolls-Group1-T211-2006-06 01) (4775-T001-1-31)*

On 29 June, the NEB released Hearing Order RH-1-2006 for TransCanada's application to change the tariff on its 14 898 km Mainline natural gas pipeline.

The Board will hold a public hearing, scheduled to start on 18 September 2006 in Toronto at a location to be determined.

The proposed tariff changes would allow TransCanada to implement two new short notice services intended to meet the needs of gas-fired electrical power generators: Firm Transportation – Short Notice (FT-SN) and Short Notice Balancing (SNB.)

Proposed Hearing Applications

1. *Gateway Pipeline Inc. (Gateway) - Preliminary Information Package (File ATT-TTC-ENB 02)*

On 9 February 2006, the Board, in consultation with other federal responsible authorities, submitted a recommendation to the Minister of the Environment that the proposed Gateway Project be referred to a review panel in accordance with the *Canada Environmental Assessment Act*.

On 2 November 2005, Gateway filed a Preliminary Information Package with the Canadian Environmental Assessment Agency the NEB and other federal departments.

The Gateway Project would consist of two pipelines, one for petroleum export and one for condensate import, along the same right-of-way, and a marine terminal. The proposed Petroleum Export Pipeline would be a 762 millimetre diameter pipeline with an initial capacity of approximately 400 000 barrels per day to transport petroleum from Edmonton, Alberta to Kitimat, British Columbia. The proposed Condensate Import Pipeline would be a 508 millimetre diameter pipeline capable of transporting approximately 150,000 barrels per day from Kitimat to Edmonton. The proposed in-service date is the year 2010 and the estimated cost is \$4 billion.

2. *Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Bear Head Pipeline (File PA-MNP 2006-002)*

On 6 January 2006, M&NP filed with the Canadian Environmental Assessment Agency and the NEB a Project Description for a proposed 55 kilometre 762 millimetre diameter pipeline from a liquefied natural gas regasification facility at Bear Head, near Port Hawkesbury, Nova Scotia to a point along the existing M&NP mainline near Goldboro, Nova Scotia.

Non-Public Hearing Applications

Electricity Matters

Matter Completed

1. *Manitoba Hydro (MH) Application to alter Terminal Facilities*
(File OF-FAC-IPL-M020-2-002)

On 28 June 2006, the Board approved Manitoba Hydro's request for alterations at the Richer South Substation, pursuant to Condition 8 of Certificate EC-III-14. Manitoba Hydro applied for this facility alteration on 27 April 2006.

Matters under Consideration

1. *Cinergy Marketing & Trading LP (Cinergy) - Electricity Export* (File OF-IE-Elec-C909 01)

On 16 June 2006, Cinergy Marketing & Trading, LP (Cinergy) applied to export electricity from Ontario to the United States. Cinergy intends to purchase power in Canada for export to the United States. Cinergy seeks a permit with an initial duration of 10 years.

2. *Susquehanna Energy Products, LLC (SEP) - Electricity Export* (File OF-IE-Elec-S375 01)

On 16 June 2006, Susquehanna Energy Products, LLC (SEP) applied to export firm and interruptible power and energy at points on the international boundary between Canada and the United States over any international power line for which the NEB has issued or will issue permission for a term of 10 years.

3. *New Brunswick Power Generation Corporation (NB Power Generation) - Electricity Export*
(File OF-EI-Elec-N103 01)

On 22 June 2006, NB Power Generation applied for permits to export up to 1124 megawatts of excess electrical capacity, and up to 9846 gigawatt hours of excess electrical energy on a firm or interruptible basis, with a requested duration period of 10 years.

4. *Montana Alberta Tie Ltd. (MATL) - Construct an International Power Line (IPL) from Lethbridge, Alberta to Great Falls, Montana*
(File AFIPL-MAT-01)

On 21 December 2005, MATL applied for approval to construct an IPL from Lethbridge, Alberta to Great Falls, Montana. MATL also proposes to

construct a new 230 kilovolt substation and a phase shifting transformer to control the direction of the flow of power near Lethbridge. The proposed IPL would be capable of transferring up to 300 megawatts of power in either direction. The Board is continuing the information request process with MATL. On 14 June 2006, MATL submitted revisions to its preferred route and project design changes. The estimated length of the transmission line is now 347 km.

5. *Maritime Electric Company, Limited (MEC) - Electricity Export* (File AE-P-MEC 01)

On 17 January 2006, MEC applied for permits to export up to 150 megawatts of power and up to 350 gigawatt hours of energy on a firm and interruptible basis per year for a period of 10 years.

6. *Yudinn Energy Inc. (Yudinn) - Electricity Export*
(File A-P-YEI 01)

On 28 March 2006, Yudinn applied for permits to export up to 204 megawatts of firm power and 894 gigawatt hours of energy per year for a period of 25 years. On 1 June 2006, the Board decided to request information from Yudinn by 16 June, which was received.

7. *Independent Electricity System Operator (IESO) (File OF-EI-Elec-I151 01)*

On 30 March 2006, IESO applied for renewal of its permit for the sale transfer of emergency power and energy at points on the international boundary between Canada and the United States for a period of 10 years. The quantity of energy to be exported would not exceed 5,184 gigawatt hours in any consecutive twelve-month period.

Frontier Matters

One (1) new application was received in June under section 5.1(b) of the *Canada Oil and Gas Operations Act* (COGOA).

Paramount Resources Ltd. was given "Approval to Alter the Condition of a Well" for the well Paramount Berkley Arrowhead River N-05 pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulation* on 20 June 2006.

All other applications are still being reviewed.

Eight (8) new applications for geological, geophysical or geotechnical operation authorizations were received in June. Two (2) new applications were approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act* (COGOA).

Outstanding applications are being reviewed.

Company	Area	Operational ID	Date
Devon	Gwich'in Region Geological Field Trip 2006	9237-D031-002E	9 June 2006
Husky	Keele Surface Geology	9237-H109-001E	29 June 2006

Pipeline Matters

Correction

The following Westcoast matter was listed as "pending" in the May edition of the *Regulatory Agenda*. The NEB completed this matter in May.

1. *Westcoast Energy Inc. (WEI) - Pipeline Construction, Aitken Creek Crossing* (File PA-WEI 2006 001)

On 19 May 2006, the Board approved an application submitted by WEI and also granted an exemption for this project from the provisions of paragraph 30(1)(a) and section 31 of the Act. WEI has until 18 May 2007 to commence construction on this Project unless the Board directs otherwise prior to that date.

On 14 February 2006, Westcoast applied to construct 11 kilometres of 323.9 millimetre raw gas pipeline connector between the Beg-Jedney Booster Station and the Aitken Creek Extension Pipeline in the Fort St. John, British Columbia gathering system. The proposed project also includes new pig launching and receiving facilities and the reversal of the flow on the Aitken Creek Extension Pipeline. The estimated cost of the pipeline is \$9.4 million and the proposed in-service date is August 2006.

Matters Completed (June)

1. *Husky Oil Limited (Husky) - Border Crude Oil Pipeline Expansion Project* (File PA HOL-2004 001 [3400-H046-03])

On 6 June 2006, the Board approved Amending Order AO-3-XO-H046-21-2004, after an initial application by Husky on 16 July 2004 and an

information request process, allowing Husky to vary the design temperature, construction schedule, and project costs previously approved by the Board in Order XO-H046-21-2004, dated 21 September 2004. Husky was instructed to ensure all affected landowners are notified of the change to the construction schedule and reminded that it must file a section 47 application to obtain leave to place the Border Crude Oil Pipeline into service.

2. *Sierra Production Company (Sierra) and DR Four Beat Energy Corp. (DR Four Beat) - Application for Transfer of Ownership of the Knappen Border Pipeline and Associated Facilities* (File OF-Fac-Gas-D081-2006-0101 [3400-D081-1])

On 29 June 2006, the Board approved Order MO-04-2006, allowing Sierra to transfer ownership of the Knappen Border Pipeline and Associated Facilities to DR Four Beat. In conjunction, the Board also approved Amending Order AO-2-XG-S103-32-2003, amending the name of the holder of Order XG-S103-32-2003 from Sierra to DR Four Beat. The application was received on 1 May 2006.

Matters Pending

1. *Enbridge Pipelines Inc. (Enbridge) - Application for the Southern Access Upstream Expansion, Stages 1A and 1B* (File OF-Fac-O-E101-2006-02 01 [3400-E101-75])

On 1 June 2006, the Board received this application from Enbridge.

On 22 June 2006, the Board decided it required more information and issued an information request for Stage 1A. The Board decided it was unable to continue its consideration of Stage 1B because Enbridge had not completed an engineering assessment as required by clause 10.11.14 of the Canadian Standards Association Z662-03, *Oil and Gas Pipeline Systems*. The Board required Enbridge to re-file a complete application for Stage 1B, including the engineering assessment in accordance with CSA Z662, *Oil and Gas Pipeline Systems*, should it wish to pursue Stage 1B of the Project. The Board offered the option of a technical conference.

**2. Burlington Resources Canada (Hunter) Ltd.
(Burlington) - Pipeline Construction
(File A-FP-PA-BRH 2006 1)**

On 15 March 2006, Burlington applied to construct an interprovincial 9,900 metre, 273 millimetre diameter natural gas pipeline in the Hiding Creek Gas field located approximately 65 kilometres east of Tumbler Ridge, British Columbia and approximately 40 kilometres southwest of Beaverlodge, Alberta. The estimated cost of the project is \$2.6 million.

**3. TransCanada Pipelines Limited (TCPL) - 2007
Eastern Mainline Expansion
(File A-FP-PA-TCP 2006 1)**

On 20 March 2006, TCPL applied for approval to construct 6.5 kilometres of 323.9 millimetre pipeline loop from Mainline Valve 805 to Mainline Valve 805 + 6.5 (the "Saint-Sébastien Loop"). TCPL also applied for compressor additions at Station 134 near Bowmanville, Ontario and at Station 1703 near Douglastown, Ontario. The estimated cost of the facilities is \$62.2 million and the proposed in-service date is 1 November 2007.

Section 58 Applications

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I. A denied Section 58 matter is also listed.

Traffic, Tolls and Tariffs Matters

Corrections

The following TransCanada Tolls resolution was approved by the Board, and should have appeared in the "Matters Completed" section for April 2006. This error carried over into the May edition.

**1. TransCanada Pipelines Limited (TCPL) -
Resolution of the 2006 Toll Task Force
(File A-TT-TC-TCP 30)**

On 7 April 2006, TCPL applied for approval of the resolution described below.

Resolution No.	Subject
05.2006	Amendments to the Interruptible Transportation Toll Schedule to extend the Firm Transportation Risk Alleviation Mechanism pilot to 31 October 2007.

On 21 April 2006, the Board decided to approve the proposed amendments to the IT Toll Schedule as filed, and issued Order AO-01-TG-1-2006 implementing that decision. TransCanada was asked to provide the results of its review of the FT-RAM Pilot for the Board's information within two months of its completion.

The following TransCanada Tolls resolution was approved by the Board, and should have appeared in the "Matters Completed" section for April 2006. This error carried over into the May edition.

**2. TransCanada Pipelines Limited (TCPL) -
Resolution of the 2006 Toll Task Force
(File A-TT-FT-TCP 21)**

On 15 March 2006, TCPL applied for approval of the resolution described below.

Resolution No.	Subject
04.2006	Approval of a Negotiated Settlement of 2006 Mainline Tolls.

On 31 March 2006, the Board sought comments from interested parties on the application.

On 28 April 2006, the Board decided to approve TransCanada's Settlement and Tolls Task Force (TTF) Resolution 04.2006, and issued Order TG-05-2006 implementing that decision.

Matter Completed (June)

**1. Enbridge Pipelines Inc. (Enbridge) - Application
for Final Tolls on Line 9 (File 4200-E101-12)**

On 28 June 2006, the Board issued Order TO-05-2006, approving final tolls for the period of 1 April 2005 to 31 March 2006. The Board received Enbridge's application on 13 June 2006.

Matter Pending

**1. Petro-Canada Oil and Gas (PCOG) - Westcoast
Energy Inc. (WEI) - Pipeline Tariff
(File TT-TC-WEI 17)**

On 6 January 2006, PCOG applied to disallow a portion of the WEI Pipeline Tariff. The application relates to rectifying the discrepancy between the terms required by WEI from existing shippers to relocate existing transportation service compared with the terms required from new shippers in relation to the same Zone 3 Transport Service under the Pipeline Tariff.

On 19 January 2006, the Board sought comments of interested parties on the application.

On 4 May 2006, the Board decided that Westcoast's practice of requiring a term extension does not constitute unjust discrimination and that permanent relocation may be considered a service. The Board was of the view that there was insufficient information in the submissions with respect to the appropriate level of consideration. Westcoast was directed to bring the matter of

permanent firm service relocation and appropriate level of consideration back to the Board after discussion with its Tolls and Tariff Task Force (TTTF).

PCOG's term extension, if any, will reflect the final Board decision on this matter.

Appeal

Appeal Pending

1. *Flint Hill Resources - Application for Leave to Appeal - RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc. to

recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Amendments to Regulations

Regulatory Initiatives Pursuant to the *National Energy Board Act*

1. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99) and the National Energy Board Processing Plant Regulations (PPR)*

The Board intends to amend the above regulations to require companies under its jurisdiction to develop and implement a pipeline security management program. A *Notice of Proposed Regulatory Change* was published by the Board on 14 September 2005 outlining the proposal. This regulatory change will be proposed, along with other OPR-99 amendments, at a future date.

2. *Proposed Amendments to the Onshore Pipeline Regulations, 1999 (OPR-99)*

On 2 February 2006, the Board sent proposed amendments to the OPR-99 to the Department of Justice for review and publication in the *Canada Gazette*, Part I. These amendments relate to legal issues and inconsistencies between the English and French versions.

3a. *Cost Recovery Regulations - Electricity Review File RDMI-RG-CR-ECR (175-A00-72-2)*

After completing an extensive consultation process on the proposed amendments to the National Energy Board Cost Recovery Regulations in relation to electricity matters, and receiving comment from interested parties until 24 February 2006, the Board sent a summary report to electricity companies under NEB jurisdiction, and other interested parties, on 4 May 2006. The summary report is available on the NEB website using the above file code. It included a proposed year-end change to align the NEB cost recovery year with the fiscal year.

3b. *Amendments to the NEB Cost Recovery Regulations: year-end change File RDMI-RG-CR-ECR (175 A000-72-2)*

On 17 May 2006, the Board sent a letter to electricity, oil and gas companies under NEB jurisdiction, and other interested parties, noting the proposed amendment for the cost recovery period from the calendar year to match the NEB fiscal year of 1 April to 31 March. Other

amendments to the regulations would create a transitional period to implement the change. Once drafted, these amendments will be sent to the Department of Justice for comment.

4. *National Energy Board Damage Prevention Regulations*

On 7 February 2005, the Board informed interested parties that it had completed the initial development phase of the above-noted Regulations. The Regulations were submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part I. The Department of Justice is reviewing the drafted Regulations.

Regulatory Initiatives Pursuant to the *Canada Oil and Gas Operations Act* (COGOA)

5. *Goal-oriented Drilling and Production Regulations (D&PR)*

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board and the Department of Indian Affairs and Northern Development (Project Working

Group). These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (*i.e.* Northwest Territories, Nunavut and offshore), including those governed under the *Offshore Accord Acts*.

6. *Diving Regulations and Guidance Notes*

Draft goal-oriented diving regulations were submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part I. For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

7. *Geophysical Operations Regulations*

This results from a request of the Standing Joint Committee for the Scrutiny of Regulations. For more information on this matter, refer to item 5 under *Amendments to Regulations* in the October 2004 issue of the *Regulatory Agenda*.

Administrative Matters

Scheduled Energy Market Assessments (EMA) for 2006

1. *Short-term Canadian Natural Gas Deliverability, 2006-2008*

This report will examine the factors affecting Canadian natural gas production, and will present

an outlook for deliverability to the end of 2008. Natural gas production in Canada comes mainly from the Western Canada Sedimentary Basin (WCSB), with some additional production from offshore Nova Scotia. The report is expected to be released in October 2006.

Instructions for Filing

Correspondence

All correspondence should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8, Fax: (403) 292-5503.

Applications and other filings, number of copies to be filed

You may submit your application and other filings to the Board in one of two ways:

1. Electronically: use the Submit a Document option on our Web site and mail (see address above) or fax one (1) copy of your documents, or
2. mail twenty-five (25) copies of your documents.

Additional information on filings

Filings and types of documents that can be filed electronically and creating PDF documents: see *Filer's Guide to Electronic Submission* (http://www.neb-one.gc.ca/efile/guide_e.pdf).

Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

Templates providing alternative ways to file your documents and assistance with the provision of multiple copies due to undue financial burden: see *Can't Submit Your Document Electronically?* Procedure for Sending Hard Copies (http://www.neb-one.gc.ca/efile/forms/paper_e.htm).

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For a current list of the telephone numbers of Board Members and key staff, see our Internet site under the heading *About Us, Our People*.

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Appendix I

Section 58 Applications

Oil Pipelines

Applicant	File/Order	Application	Est. Cost
TransCanada PipeLines Limited	File: PA-TCP-2005014/3400-T001-249 Order: XG-T001-01-2006	<p>Application for 2007 Eastern Mainline Expansion</p> <p>On 29 June, the Board <u>approved</u> a filing for compliance with condition 22 for the remaining five perennial watercourses on the Stittsville Loop.</p> <p>On 30 June, the Board <u>approved</u> a filing for compliance with conditions 18 and 21 for the Stittsville Loop after receiving a letter from TransCanada dated 28 June 2006.</p>	n/a
TransCanda PipeLines Limited	File: A-FP-PA-TCP 2006 1 (3400-T001-250)	<p>On 15 June, the Board <u>denied</u> TransCanada's request that the Board address questions directed at TransCanada from the Union des Producteurs Agricoles regarding the 30 meter zone in the context of the 2007 Eastern Mainline Expansion Project after receiving a request from TransCanada dated 5 June 2006.</p>	n/a

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of July 2006

Public Hearing Applications

Hearings in Progress

1. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties – Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

On 10 July 2006, the Board issued Ruling #16 within the Mackenzie Gas Project hearing, GH-1-2004 on Mackenzie Explorer Group (MEG) Notice of Motion no. 10.

The Board held hearing sessions in Yellowknife, N.W.T. 24 July through 1 August. Topics included General; Engineering (pipeline design and materials); Engineering (Facilities); Tolls and Tariffs; Cost of Capital and Depreciation; and Economic Feasibility. Several oral statements were heard on three separate dates. The Board also sat on Saturday 29 July during the session.

On 25 January 2006, the Board began public hearings on the Mackenzie Gas Project which

includes the construction of a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. The Board anticipates that the evidentiary portion of the hearing will be completed in December 2006.

Hearing Decision Pending

1. *Sea Breeze Victoria Converter Corporation (Sea Breeze) – Construct an International Power Line (IPL) from Victoria, British Columbia to Port Angeles, Washington – EH-1-2006 (File AFIPL-SBC-01)*

The public hearing in Victoria, British Columbia concluded in late June.

The hearing is for an application by Sea Breeze to construct a 150 kilovolt high voltage direct current IPL. The proposed 48 kilometre IPL would extend

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

"We promote Safety and Security, Environmental Protection and Efficient Energy Infrastructure and Markets"

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southward from the Town of View Royal, British Columbia to the Strait of Juan de Fuca and from there to Port Angeles, Washington. Approximately 12 kilometres of the Canadian portion of the proposed IPL will be on land and the remainder in the Strait of Juan de Fuca. Construction of the proposed IPL and a converter station near existing substations on Vancouver Island is tentatively scheduled for November 2006.

Hearings Scheduled

1. Terasen Pipelines (Trans Mountain) Inc. (Terasen) – TMX Anchor Loop – OH-1-2006 (File 3200-T099-1)

The Board will hold a public hearing to review an Application by Terasen to construct and operate the TMX Anchor Loop Project starting on 8 August 2006, at the NEB offices in Calgary.

The TMX Anchor Loop Project would consist of 158 kilometres of pipeline loop and other facilities to increase the capacity of the Trans Mountain pipeline by approximately 6 360 cubic metres (40 000 barrels) per day. The anticipated cost of the project is \$400 million.

This Hearing Order was released on 19 April 2006.

2. TransCanada PipeLines Limited (TransCanada) – Application to change the tariff on the Mainline natural gas pipeline – RH-1-2006 (File OF-Tolls-Group1-T211-2006-06 01) (4775-T001-1-31)

The Board will hold a hearing, scheduled to start Monday 18 September 2006 in Toronto at a location to be determined.

This Hearing Order was released on 29 June 2006.

On 20 July 2006, the Board commenced Information Requests to TransCanada.

TransCanada's is applying to change the tariff on its 14 898 km Mainline natural gas pipeline. The proposed tariff changes would allow TransCanada to implement two new short notice services intended to meet the needs of gas-fired electrical power generators: Firm Transportation – Short Notice (FT-SN) and Short Notice Balancing (SNB).

3. TransCanada PipeLines Limited (TransCanada) and TransCanada Keystone GP Ltd. (Keystone) – Transfer of certain pipeline facilities from TransCanada to Keystone – MH-1-2006 (File OF-Fac-G-T241-2006-01) (3400-T241-1)

The Board will hold a hearing, scheduled to start on Monday 23 October 2006 at the NEB offices in Calgary.

This Hearing Order was released on 21 June 2006 and requested that Parties seeking intervenor status inform the Board by 11 July.

On 17 July, the Board amended the List of Issues for the Hearing.

On 31 July, the Board issued a revised List of Parties for this hearing after releasing an initial list on 20 July.

TransCanada is applying to transfer certain public facilities to Keystone and also seeking approval to reduce the Canadian mainlines base rate by the net book value of the transferred facilities. The facilities consist of approximately 860 kilometres of 864 mm pipeline between Burstall, Saskatchewan and Carman, Manitoba. The transferred facilities would be used for crude oil transmission, subject to an additional application by Keystone to operate oil facilities and build connecting facilities.

4. Emera Brunswick Pipeline Company Ltd. (EBPC) – Brunswick Pipeline Project – GH-1-2006 (File PA-MNP 2006-001)

The Board will hold a public hearing starting 6 November 2006 at the Hilton Saint John Trade and Convention Centre, in Saint John, New Brunswick.

This Hearing Order was released on 9 June 2006.

EBPC is proposing a 145 kilometre 762 millimetre diameter pipeline from the Canaport™ Liquefied Natural Gas Facility at Mispic Point in Saint John, New Brunswick to a point on the international border near St. Stephen, New Brunswick.

Preliminary Information Packages

1. TransCanada Keystone Pipeline GP Ltd. (Keystone) – Preliminary Information Package (File OF-Fac-Oil-T241-2006-01 01)

On 10 July 2006, the Board received a Preliminary Information Package (PIP) filed by Keystone. The intent of the PIP is to trigger the environmental assessment process pursuant to the *Canadian Environmental Assessment Act* (CEA Act). In a letter dated 25 July 2006, the Board asked other government departments and agencies to indicate whether they are likely to require an environmental assessment under section 5 of the CEA Act,

requesting responses by 18 August or sooner.

Keystone has indicated it intends to file a section 52 application with the NEB late in 2006.

The project is a proposed crude oil pipeline from Hardisty, Alberta to markets in Illinois, USA and anticipates constructing 373 km of new oil pipeline. The U.S. portion is over 1700 km of new oil pipeline through six states.

**2. Gateway Pipeline Inc. (Gateway) – Preliminary Information Package
(File ATT-TTC-ENB 02)**

Gateway filed a Preliminary Information Package (PIP) with the Canadian Environmental Assessment Agency, the NEB and other federal departments in November 2005. The NEB conducted information sessions in Northern B.C. in late November and early December.

On 9 February 2006, the Board, in consultation with other federal responsible authorities, submitted a recommendation to the Minister of the

Environment that the proposed Gateway Project be referred to a review panel in accordance with the *Canada Environmental Assessment Act* (CEA Act).

The proposed Gateway Project would consist of two pipelines, one for petroleum export and one for condensate import, along the same right-of-way, and a marine terminal. The proposed Petroleum Export Pipeline would be a 762 millimetre diameter pipeline with an initial capacity of approximately 400 000 barrels per day to transport petroleum from Edmonton, Alberta to Kitimat, British Columbia. The proposed Condensate Import Pipeline would be a 508 millimetre diameter pipeline capable of transporting approximately 150,000 barrels per day from Kitimat to Edmonton. The proposed in-service date is the year 2010 and the estimated cost is \$4 billion.

Non-public Hearing Applications

Electricity Matters

New Applications

1. British Columbia Hydro & Power Authority – (BC Hydro) Application for an electricity export permit (File OF-EI-Elec-B215 01)

On 27 July 2006, BC Hydro applied for a permit to continue exporting firm power and energy as a border accommodation to Tongass Power and Light Company (Tongass), a company that distributes power to customers in Hyder, Alaska. BC Hydro is applying for a 10 year export permit.

2. Lehman Brothers Commodity Services Inc. (LBCS) – Application for an electricity export permit (File OF-EI-Elec-L057 01)

On 28 July 2006, LBCS applied for a permit to export firm and interruptible power and energy at points on the international boundary between Canada and the USA for a term of 10 years.

Matters under Consideration

1. Montana Alberta Tie Ltd. (MATL) – Construct an International Power Line (IPL) from Lethbridge, Alberta to Great Falls, Montana (File AFIP-L-MAT-01)

On 21 December 2005, MATL applied for approval to construct an IPL from Lethbridge, Alberta to Great Falls, Montana. MATL also proposes to construct a new 230 kilovolt substation and a phase shifting transformer to control the direction of the flow of power near Lethbridge. The proposed IPL would be capable of transferring up to 300 megawatts of power in either direction. The Board is continuing the information request process with MATL. On 14 June 2006, MATL submitted revisions to its preferred route and project design changes. The estimated length of the transmission line is now 347 km. On 4 July, the Board indicated that it is of the opinion that MATL must substantially update its original application and submit information pertaining to the revisions.

2. Maritime Electric Company, Limited (MEC) – Electricity Export (File AE-P-MEC 01)

On 17 January 2006, MEC applied for permits to export up to 150 megawatts of power and up to 350 gigawatt hours of energy on a firm and interruptible basis per year for a period of 10 years.

3. Yudinn Energy Inc. (Yudinn) – Electricity Export (File A-PYEI 01)

On 28 March 2006, Yudinn applied for permits to export up to 204 megawatts of firm power and 894 gigawatt hours of energy per year for a period of 25 years. On 1 June 2006, the Board decided to request information from Yudinn and requested a reply by 16 June, which was received. On 26 July, Yudinn filed an Environmental Impact Assessment at the Board.

4. Independent Electricity System Operator (IESO) – (File OF-EI-Elec-I151 01)

On 30 March 2006, IESO applied for renewal of its permit for the sale transfer of emergency power and energy at points on the international boundary between Canada and the United States for a period of 10 years. The quantity of energy to be exported would not exceed 5,184 gigawatt hours in any consecutive twelve-month period.

5. Cinergy Marketing & Trading LP (Cinergy) – Electricity Export (File OF-IE-Elec-C909 01)

On 12 June 2006, Cinergy Marketing & Trading, LP (Cinergy) applied to export electricity from Ontario to the United States. Cinergy intends to purchase power in Canada for export to the United States. Cinergy seeks a permit with an initial duration of 10 years.

6. Susquehanna Energy Products, LLC (SEP) – Electricity Export (File OF-IE-Elec-S375 01)

On 16 June 2006, Susquehanna Energy Products, LLC (SEP) applied to export firm and interruptible power and energy at points on the international boundary between Canada and the United States over any international power line for which the NEB has issued or will issue permission for a term of 10 years.

On 12 July, the Board requested additional information from the applicant, which replied on 19 July. Due to differences in the quantities of firm power and energy listed in its initial application and in its reply to the Information Request, the Board decided on 27 July that Susquehanna should republish its Notice of Application in the *Canada Gazette* in both official languages.

7. New Brunswick Power Generation Corporation (Genco) – Electricity Export (File OF-EI-Elec-N103 01)

On 22 June 2006, NB Power Generation applied for permits to export up to 1124 megawatts of

excess electrical capacity, and up to 9846 gigawatt hours of excess electrical energy on a firm or interruptible basis, with a requested duration period of 10 years.

On 31 July, the Board exempted the applicant from the information requirements set out in paragraphs 9(i) and (j) of the Electricity Regulations, since the Board is in possession of information about the existing IPLs relating to this application.

Frontier Matters

No new drilling applications were received in July under section 5.1(b) of the Canada Oil and Gas Operations Act (COGOA.)

All other applications are still being reviewed.

One (1) new application for geological, geophysical or geotechnical operation authorization was received in July.

Three (3) applications were approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act* (COGOA.)

<i>Company</i>	<i>Area</i>	<i>Operational ID</i>	<i>Date</i>
Devon Canada Corporation	Central Mackenzie Sahtu Geological Field Trip 2006	9237-D072-001E	7 July 2006
Husky Oil Operations Limited	Summit Redstone 2D Seismic 2006	9225-H109-001E	5 July 2006
Devon Canada Corporation	Richardson Mountain Geological Field Trip 2006	9337-D072-002E	20 July 2006

Outstanding applications are being reviewed.

Pipeline Matters

Matter Completed

1. Section 58 Applications

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

New Application

1. **Enbridge Pipelines (Westspur) Inc. – Application for construction of Midale Terminal Capacity Expansion Project**
(File OF-Fac-Oil-E103-2006-02 01)

On 21 July, Enbridge filed a Section 58 facilities application to construct the Midale Project, and requested exemption from the provisions of Sections 29 to 33 and from Section 47 of the *NEB Act*. Enbridge anticipates that forecasted increases in crude oil production in southeast Saskatchewan will bring current volumes beyond pipeline capacity in Fall 2006. The Project involves upgrades to existing pumping facilities at the Midale Terminal and a new booster facility, the Bryant Booster Station, for which Enbridge has obtained land. The projected cost is \$3,398,400 and proposed in-service date is as early as October 2006 after 8 to 10 weeks of construction work after approval.

Matters Pending

1. **Enbridge Pipelines Inc. (Enbridge) – Application for the Southern Access Upstream Expansion, Stages 1A and 1B** (File OF-Fac-O-E101-2006-02 01 [3400-E101-75])

On 1 June 2006, the Board received this application from Enbridge. Information Requests and answers pertaining to Stage 1A continued in July.

For Stage 1B, on 27 July, Enbridge filed its Section 21 application requesting an amendment to Board Order OLPO-1-4-68, to increase the maximum operating pressure on a segment of one of its Lines.

2. **Burlington Resources Canada (Hunter) Ltd. (Burlington) – Pipeline Construction**
(File A-FP-PA-BRH 2006 1)

On 15 March 2006, Burlington applied to construct an interprovincial 9,900 metre, 273 millimetre diameter natural gas pipeline in the Hiding Creek Gas field located approximately 65 kilometres east of Tumbler Ridge, British Columbia and approximately 40 kilometres southwest of Beaverlodge, Alberta. The estimated cost of the project is \$2.6 million.

3. **TransCanada PipeLines Limited (TCPL) – 2007 Eastern Mainline Expansion**
(File A-FP-PA-TCP 2006 1)

On 20 March 2006, TCPL applied for approval to construct 6.5 kilometres of 323.9 millimetre

pipeline loop from Mainline Valve 805 to Mainline Line Valve 805 + 6.5 (the “Saint-Sébastien Loop”). TCPL also applied for compressor additions at Station 134 near Bowmanville, Ontario and at Station 1703 near Douglastown, Ontario. The estimated cost of the facilities is \$62.2 million and the proposed in-service date is 1 November 2007.

4. **Husky Oil Operations Limited – Application to construct Esther Court (Natural Gas) Pipeline**
(File OF-Fac-Gas-H109-2006-01)

On 13 June, Husky submitted a Section 58 natural gas pipeline facilities construction application. The Esther Court Pipeline would be comprised of a 4.4 km natural gas pipeline with an outside diameter of 168.3 mm, as well as pipeline risers, pig facilities, valves and related tie-in piping that will connect the pipeline to existing systems in Alberta and Saskatchewan. The purpose of the project is to transport increased natural gas production generated from wells in Husky's East Central Alberta area to the AltaGas Loverna Gas Plant in Saskatchewan. The small project is estimated to cost \$540,000.

The Board initiated an environmental assessment for the Project and on 5 July sent notice to other government departments and agencies, requesting responses by 25 July.

Traffic, Tolls and Tariffs Matters

Matter Completed

1. **Response to National Energy Board 11 April 2006 Directions Terasen Westridge Dock Capacity Allocation Procedure**
(File OF-Tolls-Group1-T099-2006-01 01 (4775-T099-1-5))

On 20 July 2006, the Board directed Kinder Morgan to set up a deferral account for any Premiums to be refunded to toll payers in the following calendar year. Kinder Morgan was directed to publish the aggregate bid Premium information on a quarterly basis, 45 days from the last calendar day in the quarter being reported. The Board approved the extension of the bid Premium process until the PSE start-up and expects Kinder Morgan to file its intentions for any changes to the bid Premium process at least 60 days prior to the PSE start-up.

Kinder Morgan had filed a letter in response to the Board's 11 April 2006 Reason for Decision which had approved Kinder Morgan Canada Inc.'s request for the inclusion of a Westridge Dock

Premium (Premium) in the Terasen Pipelines (Trans Mountain) tariff as a means to allocating capacity at the Westridge Dock. The Kinder Morgan letter of 19 June 2006 made recommendations on three issues.

On 22 June, the Board solicited comments on those three issues and whether further process was required to consider them. Three parties commented and the Board allowed reply comments from Kinder Morgan, which were dated 5 July 2006.

Matter Pending

1. *Westcoast Energy Inc. carrying on business as Duke Energy Gas Transmission (Westcoast) – Amended Application for Approval of a Settlement for 2006 and 2007 Tolls [File ATT-AFT-WEI 19 (4200-W005-19)]*

On 21 June 2006 the Board received Westcoast's amended application filed pursuant to Part IV of the *National Energy Board Act*, for approval of a negotiated settlement of final tolls for mainline transmission services on Zones 3 and 4 for 2006 and for approval of a methodology for setting 2007 tolls.

On 11 July, the Board decided to solicit comments from interested parties by 26 July 2006.

The Board received comments from Talisman Energy Inc. and the Natural Gas Steering Committee in support of the application.

Appeal

Appeal Pending

1. *Flint Hill Resources – Application for Leave to Appeal – RH-1-2005*

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc. to recover, in its Canadian pipeline tolls,

US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

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2. *Cost Recovery Regulations Review (File RDMI-RG-CR-ECR (175-A00-72-2))*

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On 17 May 2006, the Board sent a letter to electricity, oil and gas companies under NEB jurisdiction, and other interested parties, noting the proposed amendment for the cost recovery period from the calendar year to match the NEB fiscal year of 1 April to 31 March, and a transitional period to implement the change. Board staff is currently drafting these amendments.

3. National Energy Board Damage Prevention Regulations

On 7 February 2005, the Board informed interested parties that it had completed the initial development phase of the above-noted Regulations. The Regulations were submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part I. The Department of Justice is reviewing the drafted Regulations.

Regulatory Initiatives Pursuant to the Canada Oil and Gas Operations Act (COGOA)

4. Goal-oriented Drilling and Production Regulations (D&PR)

On 11 April 2005, the Board, on behalf of several other federal and provincial agencies, sought comments from interested parties on a draft of the D&PR.

The D&PR project is an initiative of the Board, Natural Resources Canada, the Province of Newfoundland and Labrador, the Province of Nova Scotia, the Canada-Newfoundland Offshore Petroleum Board, the Canada-Nova Scotia Offshore Petroleum Board and the Department of Indian Affairs and Northern Development (Project Working Group). These agencies all have some form of direct regulatory responsibility for companies involved in the drilling for, and production of, oil and gas in Canada's frontier areas (i.e. Northwest Territories, Nunavut and offshore), including those governed under the *Offshore Accord Acts*.

5. Diving Regulations and Guidance Notes

Draft goal-oriented diving regulations were submitted to the Department of Justice for review and analysis prior to pre-publication in the *Canada Gazette*, Part I. For more information on this matter, refer to item 4 under *Amendments to Regulations and Rules* in the May 2001 issue of the *Regulatory Agenda*.

Administrative Matter

Scheduled Energy Market Assessments (EMA) for 2006

1. Short-term Canadian Natural Gas Deliverability, 2006-2008

This report will examine the factors affecting Canadian natural gas production, and will present an outlook for deliverability to the end of 2008.

Natural gas production in Canada comes mainly from the Western Canada Sedimentary Basin (WCSB), with some additional production from offshore Nova Scotia. The report is expected to be released in October 2006.

Instructions for Filing

Correspondence

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Applications and other filings, number of copies to be filed

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Appendix I

Section 58 Applications

Applicant	File/Order	Application	Est. Cost
TransCanada PipeLines Limited	File: PA-TCP-2005-014/3400-T001-249 Order: XG-T001-01-2006	<p><i>Application for 2007 Eastern Mainline Expansion</i></p> <p>On 5 July, the Board concluded that TransCanada has substantially complied with requirements of Condition 16, however, some information filed was insufficient. The Board directed TransCanada to provide a detailed instream survey profile, and a detailed reclamation plan specific to each watercourse. In addition, the Board expects TransCanada to include the Species at Risk Surveys in the EPP for the Stittsville Loop. Upon receipt of more detailed responses, on 31 July, the Board concluded that TransCanada had complied with the requirements of Condition 16.</p> <p>On 5 July the Board also concluded that TransCanada filings dated 29 June and 4 July 2006 re: Condition 13 demonstrated that TransCanada complied with Condition 13. The Board allowed TransCanada to begin construction immediately, excluding watercourse crossings, until it received the info requested for Condition 16 (above.)</p>	n/a
Express Pipelines Ltd.	File: OF-Fac-O-E092-2005-01 01 (3400-E092-8)	<p><i>Application to vary Board Order XO-E092-03-2006</i></p> <p>On 13 July 2006, the Board approved Express' application to amend Schedule A to reflect changes to the pipe grade and maximum operating pressure of the previously approved Project, the construction of a 600 metre lateral tie-in from Gibson Petroleum Ltd.'s Hardisty Terminal to Express' Hardisty Terminal.</p>	n/a
TransCanada PipeLines Limited	File: OF-Fac-G-T211 2006 02 01 (3400-T001-251)	<p><i>Application for 2006 Construction – No. 2 Decommissioning Activities at Compressor Station 92 at the Quonset Storage Building at Mattice, Ontario (filed 25 April 2006)</i></p> <p>On 14 July the Board granted Order XG-T001-07-2006 approving the decommissioning Project, and granted TransCanada an exemption from the requirements of sections 30-33 and section 47 of the Act subject to conditions.</p>	\$3,139,000
Kaiser Exploration Ltd.	File: AFP-KAX-2006 1 (3400-K039-1)	<p><i>Application to construct the Boundary Lake Pipelines, a 490 m sour gas natural pipeline starting at a riser on a wellsite facility in B.C. and ending at a tie-in point at an existing Kaiser facility in Alberta, and a 490 m oil effluent pipeline, and a 490 m OD fuel gas pipeline. Related facilities include risers, a pig launcher and receiver, valves, and tie-in piping.</i></p> <p>On 14 July the Board approved Kaiser's application to construct this project by issuing Order XG-KAX-08-2006 and granted Kaiser exemption from the provisions of subsection 29(1), paragraph 30(1)(a) and section 31 of the Act. For administrative purposes, Kaiser will be regulated as a Group 2 Company. Kaiser is required to inform the Board should there be any significant change in the operation of the pipeline if tolls are to be charged. There were 7 conditions.</p>	\$325,000

Profile

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In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from

oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by Human Resources and Skills Development Canada to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of August 2006

General

Emergency Response Exercise Schedule

The Board sent letters to 31 regulated companies regarding their emergency response exercises. The letter dated 9 August 2006 stated that the Board would monitor and assess emergency response exercises to be conducted by regulated companies in 2006 and 2007.

This monitoring program is being done to ensure the protection of the public, workers, property and the environment. It is also being carried out to ensure compliance with the *National Energy Board Act* and the *Onshore Pipeline Regulations, 1999*.

Companies are asked to submit information on emergency response exercises including types, dates and locations of such exercises.

Scheduled Energy Market Assessment (EMA) for 2006

Short-term Canadian Natural Gas Deliverability, 2006-2008

This report will examine the factors affecting Canadian natural gas production, and will present an outlook for deliverability to the end of 2008. Natural gas production in Canada comes mainly from the Western Canada Sedimentary Basin (WCSB), with some additional production from Atlantic Canada. The report is expected to be released in October 2006.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

"We promote Safety and Security, Environmental Protection and Efficient Energy Infrastructure and Markets"

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Public Hearing Applications

Hearing in Progress

1. *Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties – Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)*

On 10 July 2006, the Board issued Ruling #16 within the Mackenzie Gas Project hearing, GH-1-2004 on Mackenzie Explorer Group (MEG) Notice of Motion no. 10.

The Board held hearing sessions in Yellowknife, N.W.T. 24 July through 1 August. Topics included General; Engineering (pipeline design and materials); Engineering (Facilities); Tolls and Tariffs; Cost of Capital and Depreciation; and Economic Feasibility. Several oral statements were heard on three separate dates. The Board also sat on Saturday 29 July during the session.

On 25 January 2006, the Board began public hearings on the Mackenzie Gas Project which includes the construction of a pipeline to transport natural gas to northern Alberta, a pipeline to transport natural gas liquids to Norman Wells, N.W.T., three onshore natural gas fields, a gathering system to transport production from the three fields, and a processing facility in the Inuvik, N.W.T. area where natural gas liquids would be separated from the natural gas for shipping. The Board anticipates that the evidentiary portion of the hearing will be completed in December 2006.

Hearing Decisions Pending

1. *Sea Breeze Victoria Converter Corporation (Sea Breeze) – Construct an International Power Line (IPL) from Victoria, British Columbia to Port Angeles, Washington – EH-1-2006 (File AFIPL-SBC-01)*

The public hearing in Victoria, British Columbia concluded in late June.

The hearing is for an application by Sea Breeze to construct a 150 kilovolt high voltage direct current IPL. The proposed 47 kilometre IPL would extend southward from the town of View Royal, British Columbia to the Strait of Juan de Fuca and from there to Port Angeles, Washington. Approximately 12 kilometres of the Canadian portion of the

proposed IPL will be on land and the remainder in the Strait of Juan de Fuca. Construction of the proposed IPL and a converter station near existing substations on Vancouver Island is tentatively scheduled for November 2006.

2. *Terasen Pipelines (Trans Mountain) Inc. (Terasen) – TMX Anchor Loop – OH-1-2006 (File 3200-T099-1)*

The Board held a public hearing to review an application by Terasen to construct and operate the TMX Anchor Loop Project on 8 August through to 10 August, at the NEB offices in Calgary.

The TMX Anchor Loop Project would consist of 158 kilometres of pipeline loop and other facilities to increase the capacity of the Trans Mountain pipeline by approximately 6 360 cubic metres (40,000 barrels) per day. The anticipated cost of the project is \$400 million.

Hearings Scheduled

1. *TransCanada PipeLines Limited (TransCanada) – Application to change the tariff on the Mainline natural gas pipeline – RH-1-2006 (File OF-Tolls-Group1-T211-2006-06 01) (4775-T001-1-31)*

The Board will hold a hearing, scheduled to start Monday 18 September 2006 in Toronto at a location to be determined. This Hearing Order was released on 29 June 2006.

TransCanada's is applying to change the tariff on its 14 898 kilometre Mainline natural gas pipeline. The proposed tariff changes would allow TransCanada to implement two new short notice services intended to meet the needs of gas-fired electrical power generators: Firm Transportation – Short Notice (FT-SN) and Short Notice Balancing (SNB).

2. *TransCanada PipeLines Limited (TransCanada) and TransCanada Keystone GP Ltd. (Keystone) – Transfer of certain pipeline facilities from TransCanada to Keystone – MH-1-2006 (File OF-Fac-G-T241-2006-01) (3400-T241-1)*

The Board will hold a hearing scheduled to start on Monday 23 October 2006 at the NEB offices in Calgary. This Hearing Order was released on 21 June 2006 and requested that parties seeking intervenor status inform the Board by 11 July.

TransCanada is applying to transfer certain public facilities to Keystone and also seeking approval to reduce the Canadian mainlines base rate by the net book value of the transferred facilities. The facilities consist of approximately 860 kilometres of 864 millimetre pipeline between Burstall, Saskatchewan and Carman, Manitoba. The transferred facilities would be used for crude oil transmission, subject to an additional application by Keystone to operate oil facilities and build connecting facilities.

**3. Emera Brunswick Pipeline Company Ltd. (EBPC)
– Brunswick Pipeline Project – GH-1-2006
(File PA-MNP 2006-001)**

The Board will hold a public hearing starting 6 November 2006 at the Hilton Saint John Trade and Convention Centre in Saint John, New Brunswick. This Hearing Order was released on 9 June 2006.

EBPC is proposing a 145 kilometre 762 millimetre diameter pipeline from the Canaport™ Liquefied

Natural Gas Facility at Mispic Point in Saint John, New Brunswick to a point on the international border near St. Stephen, New Brunswick.

Preliminary Information Package (PIP)

**1. TransCanada Keystone Pipeline GP Ltd.
(Keystone) – Preliminary Information Package
(File OF-Fac-Oil-T241-2006-01 01)**

On 10 July 2006, the Board received a Preliminary Information Package (PIP) filed by Keystone. The intent of the PIP is to trigger the environmental assessment process pursuant to the *Canadian Environmental Assessment Act* (CEA Act.) Keystone has indicated it intends to file a section 52 application with the NEB late in 2006.

The project is a proposed crude oil pipeline from Hardisty, Alberta to markets in Illinois, U.S. and anticipates constructing 373 kilometres of new oil pipeline. The U.S. portion is over 1 700 kilometres of new oil pipeline through six states.

Non-Public Hearing Applications

Electricity Matters

Matters Completed

**1. Independent Electricity System Operator (IESO)
– (File A-P-IES 01 (6200-J210-1))**

On 2 August, the Board issued two electricity export permits to the IESO, one each for firm and interruptible exports. The permits commence on 2 August 2006 and end on 1 August 2016. These permits are to be used for the sale transfer of emergency power and energy at points on the international boundary between Canada and the United States. The quantity of energy to be exported would not exceed 5,184 gigawatt hours in any consecutive 12-month period.

**2. Maritime Electric Company, Limited (MEC)
– Electricity Export (File AE-P-MEC 03)**

On 3 August, the Board issued two electricity export permits to Maritime Electric, one each for firm and interruptible exports. The terms of the permits commence on 4 August 2006 and will end on 3 August 2016. The permits allow for the export of up to 150 megawatts of power and up to 350 gigawatt hours of energy.

Matters under Consideration

**1. Montana Alberta Tie Ltd. (MATL) – Construct
an International Power Line (IPL) from
Lethbridge, Alberta to Great Falls, Montana
(File AFIP-L-MAT-01)**

On 21 December 2005, MATL applied for approval to construct an IPL from Lethbridge, Alberta to Great Falls, Montana. MATL also proposes to construct a new 230 kilovolt substation and a phase shifting transformer to control the direction of the flow of power near Lethbridge. The proposed IPL would be capable of transferring up to 300 megawatts of power in either direction. The Board is continuing the information request process with MATL. On 14 June 2006, MATL submitted revisions to its preferred route and project design changes. The estimated length of the transmission line is now 347 kilometres. On 4 July, the Board indicated that it is of the opinion that MATL must substantially update its original application and submit information pertaining to the revisions.

**2. Yudinn Energy Inc. (Yudinn) – Electricity Export
(File A-PYEI 01)**

On 28 March 2006, Yudinn applied for permits to export up to 204 megawatts of firm power and 894 gigawatt hours of energy per year for a period of 25 years. On 10 August, the Board requested Yudinn provide further information on the key steps for the environmental review processes that are being sought. Yudinn responded on 17 August 2006.

**3. Cinergy Marketing & Trading LP (Cinergy)
– Electricity Export (File OF-IE-Elec-C909 01)**

On 12 June 2006, Cinergy Marketing & Trading, LP (Cinergy) applied to export electricity from Ontario to the United States. Cinergy intends to purchase power in Canada for export to the United States. Cinergy seeks a permit with an initial duration of 10 years.

**4. Susquehanna Energy Products, LLC (SEP)
– Electricity Export (File OF-IE-Elec-S375 01)**

On 16 June 2006, Susquehanna Energy Products, LLC (SEP) applied to export firm and interruptible power and energy at points on the international boundary between Canada and the United States over any international power line for which the NEB has issued or will issue permission for a term of 10 years.

On 12 July, the Board requested additional information from the applicant, which replied on 19 July. Due to differences in the quantities of firm power and energy listed in its initial application and in its reply to the Information Request, the Board decided on 27 July that Susquehanna should republish its Notice of Application in the Canada Gazette in both official languages.

**5. New Brunswick Power Generation Corporation
(Genco) – Electricity Export
(File OF-IE-Elec-N103 01)**

On 22 June 2006, NB Power Generation applied for permits to export up to 1,124 megawatts of excess electrical capacity, and up to 9,846 gigawatt hours of excess electrical energy on a firm or interruptible basis, with a requested duration period of 10 years.

On 31 August the Board asked NB Power Generation for additional information on the application and requested this information be submitted by 11 September 2006.

**6. British Columbia Hydro & Power Authority
(BC Hydro) – Electricity export
(File OF-IE-Elec-B215 01)**

On 27 July 2006, BC Hydro applied for a permit to continue exporting firm power and energy as a border accommodation to Tongass Power and Light Company (Tongass), a company that distributes power to customers in Hyder, Alaska. The permit BC Hydro is applying for would be a 10 year export permit.

**7. Lehman Brothers Commodity Services Inc.
(LBCS) – Electricity export
(File OF-IE-Elec-L057 01)**

On 28 July 2006, LBCS applied for a permit to export firm and interruptible power and energy at points on the international boundary between Canada and the U.S. for a term of 10 years.

Frontier Matters

No new applications were received in August under section 5.1(b) of the *Canada Oil and Gas Operations Act*.

All other applications are still being reviewed.

One (1) new application for a geological, geophysical or geotechnical operation authorization was received in August. Two (2) new applications were approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act*.

Company	Area	Operation ID	Date
GX Technology Canada Ltd.	Beaufort	9425-G237-001P	22 August 2006
Devon Canada Corporation	Sahtu	9222-D072-001E	21 August 2006

Outstanding applications are being reviewed.

Pipeline Matters

Matter Completed

1. Section 58 Applications

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix I.

Matters Pending

1. **Enbridge Pipelines (Westspur) Inc. – Application for construction of Midale Terminal Capacity Expansion Project**
(File OF-Fac-Oil-E103-2006-02 01)

On 21 July 2006, Enbridge filed a Section 58 facilities application to construct the Midale Project, and requested exemption from the provisions of Sections 29 to 33 and from Section 47 of the NEB Act. Enbridge anticipates that forecasted increases in crude oil production in southeast Saskatchewan will bring current volumes beyond pipeline capacity in fall 2006. The Project involves upgrades to existing pumping facilities at the Midale Terminal and a new booster facility, the Bryant Booster Station, for which Enbridge has obtained land. The projected cost is \$3,398,400 and proposed in-service date is as early as October 2006 after 8 to 10 weeks of construction work after approval.

2. **Enbridge Pipelines Inc. (Enbridge) – Application for the Southern Access Upstream Expansion, Stages 1A and 1B**
(File OF-Fac-O-E101-2006-02 01 [3400-E101-75])

On 1 June 2006, the Board received this application from Enbridge. For Stage 1B, on 27 July, Enbridge filed its Section 21 application requesting an amendment to Board Order OLPO-1-4-68, to increase the maximum operating pressure on a segment of one of its lines. Information requests pertaining to this stage of the project continued in August.

3. **Burlington Resources Canada (Hunter) Ltd. (Burlington) – Pipeline Construction**
(File A-FP-PA-BRH 2006 1)

On 15 March 2006, Burlington applied to construct an interprovincial 9 900 metre, 273 millimetre in

diameter natural gas pipeline in the Hiding Creek Gas field located approximately 65 kilometres east of Tumbler Ridge, British Columbia and approximately 40 kilometres southwest of Beaverlodge, Alberta. The estimated cost of the project is \$2.6 million.

4. **TransCanada Pipelines Limited (TCPL) – 2007 Eastern Mainline Expansion**
(File A-FP-PA-TCP 2006 1)

On 20 March 2006, TCPL applied for approval to construct 6.5 kilometres of 323.9 millimetre pipeline loop from Mainline Valve 805 to Mainline Line Valve 805 + 6.5 (the “Saint-Sébastien Loop”). TCPL also applied for compressor additions at Station 134 near Bowmanville, Ontario and at Station 1703 near Douglastown, Ontario. The estimated cost of the facilities is \$62.2 million and the proposed in-service date is 1 November 2007.

Traffic, Tolls And Tariffs Matters

Matter Pending

1. **Westcoast Energy Inc. carrying on business as Duke Energy Gas Transmission (Westcoast) – Amended Application for Approval of a Settlement for 2006 and 2007 Tolls**
(File ATT-AFT-WEI 19 (4200-W005-19))

On 21 June 2006 the Board received Westcoast's amended application filed pursuant to Part IV of the *National Energy Board Act*, for approval of a negotiated settlement of final tolls for mainline transmission services on Zones 3 and 4 for 2006 and for approval of a methodology for setting 2007 tolls.

Appeal

Appeal Pending

1. **Flint Hill Resources – Application for Leave to Appeal – RH-1-2005**

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc. to

recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Regulations Under Review

This section lists the statutory instruments that the NEB currently has under review and is proposing changes to. Details on the issues relating to the regulation and the progress on each project can be found on the Board's web site at www.neb-one.gc.ca.

Regulations under the *National Energy Board Act*:

Instrument	Issues
<i>Onshore Pipeline Regulations (OPR-99)</i>	- Including the concept of decommissioning - Implementing pipeline security management programs
<i>Processing Plant Regulations</i>	- Including the concept of decommissioning - Implementing pipeline security management programs
<i>Damage Prevention Regulations</i>	New regulations replacing the <i>Pipeline Crossings Regulations Part I and II</i>
<i>Cost Recovery Regulations</i>	Change the way costs are recovered from the electricity industry and change from a calendar to fiscal year basis
<i>Submerged Pipeline Regulations</i>	New regulations

Regulations under the *Canada Oil and Gas Operations Act* and the *Canada Petroleum Resources Act*:

Instrument	Issues
<i>Diving Regulations</i>	Update and make goal-oriented and create guidance notes
<i>Drilling Regulations & Production and Conservation Regulations</i>	Amalgamate into the <i>Drilling and Production Regulations</i> and associated guidance notes; update and make goal-oriented

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Appendix I

Section 58 Applications

Pipelines

Applicant	File/Order	Application	Est. Cost
Husky Oil Operations Limited	File: OF-Fac-Gas-H109-2006-01 Order: XG-H109-09-2006	<p><i>Application for Esther Court Pipeline construction</i></p> <p>On 17 August, the Board approved Husky's application to construct 4.4 kilometres of natural gas pipeline with an outside diameter of 168.3 mm, as well as pipeline risers, pig facilities, valves and related tie-in piping that will connect the pipeline to existing systems in Alberta and Saskatchewan. Although not requested, the Board granted an exemption from the requirements of sections 30(1)(a), 31 and 47 of the NEB Act.</p> <p>The Board also directed Husky to file with the Board three updated copies of its Emergency Preparedness and Response Plan(s) pursuant to the <i>Onshore Pipeline Regulations, 1999</i>.</p> <p>The purpose of the project is to transport increased natural gas production generated from wells in Husky's East Central Alberta area to the AltaGas Loverna Gas Plant in Saskatchewan.</p>	\$540,000
Westcoast Energy Inc.	File: 3400-W005-360 Order: XG-W055-13-2006	<p><i>Application for the expansion of the Kwoen Plant</i></p> <p>On 22 August, the Board approved Westcoast's application to construct and operate an expansion facility at the existing Kwoen Gas Plant for the purpose of increasing acid gas removal capability to 1 130 103 m³/d (40 MMcf/d) from the existing 790 103 m³/d (28 MMcf/d).</p>	n/a
Devon Canada Corporation (Devon)	File: OF-Fac-G-D072-2006-01 01 (3400-D072-1) Order: XG-D072-10-2006	<p><i>Application for North Shekilie Gas Pipeline Project</i></p> <p>On 22 August, the Board approved Devon's application to construct and operate the North Shekilie Gas Pipeline Project. The project involves the construction of a 7.2 kilometre, 168.3 millimetre outside diameter below-grade non-sour natural gas pipeline in Alberta and a 1.4 kilometre, 114.3 millimetre outside diameter below-grade non-sour gas pipeline in B.C.</p>	n/a
Maritimes & Northeast Pipeline Management Ltd. (M&NP)	File: 3400-M124-19 Order: XG-M124-12-2006	<p><i>Application for Custody Transfer Station Facilities for Corridor Resources, New Cannan, N.B.</i></p> <p>On 23 August, the Board approved M&NP's application to construct and operate a custody transfer station along its mainline. The construction includes installation of valves, piping, fencing a generator and a small building of 2.5 meters x 2.5 meters.</p>	n/a

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Regulatory Agenda

The period covered in this *Regulatory Agenda* is the month of September 2006

General

Regulatory Agenda goes online

Please note that the next issue (October issue) of the *Regulatory Agenda* will be undergoing significant changes and will no longer be available in hard copy. It will be available online only from the NEB web site. The new *Regulatory Agenda* format will provide the reader with links to a greater number of information sources. To access the October issue, you can go to the NEB web site (www.neb-one.gc.ca) and click on "What's New".

NEB recognizes NERC as Electric Reliability Organization

The National Energy Board has signed a Memorandum of Understanding that promotes reliability standards for international power lines

under the NEB's jurisdiction. This agreement also recognizes the North American Electric Reliability Corporation (NERC) as the Electric Reliability Organization (ERO). NERC will develop reliability standards for North America's bulk power grid.

Although the NEB will continue to regulate international power lines that fall under its jurisdiction, NERC will monitor these lines in Canada to ensure compliance with its reliability standards. The NEB will receive regular and transparent reporting from NERC concerning NEB-regulated power lines. These reports will be used to identify international power lines that are non-compliant with NERC's reliability standards.

Public Hearing Applications

Hearing Decision Issued

1. *Sea Breeze Victoria Converter Corporation (Sea Breeze) – Construct an International Power Line (IPL) from Victoria, British Columbia to Port Angeles, Washington - EH-1-2006 (File AFIP-SBC-01)*

On 7 September the Board approved Sea Breeze Converter Corporation's application to construct a 150 kilovolt high voltage direct current IPL. The 47 kilometre IPL will extend southward from the town of View Royal, British Columbia to the Strait of Juan de Fuca and from there to Port Angeles, Washington.

In This Issue

Preface

The purpose of this agenda is to provide information on the Board's activities. Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended.

**"We promote Safety and
Security, Environmental
Protection and Efficient Energy
Infrastructure and Markets"**

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Approximately 12 kilometres of the Canadian portion of the IPL will be on land and the remainder in the Strait of Juan de Fuca. Construction of the proposed IPL and a converter station near existing substations on Vancouver Island is tentatively scheduled for November 2006. This approval is subject to approval from the Governor in Council.

Hearing in Progress

1. **Imperial Oil Resources Ventures Limited (Imperial), Mackenzie Valley Aboriginal Pipeline Limited Partnership, ConocoPhillips (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties – Mackenzie Gas Project (Files 3200-J205-1, 2520-C-19-4, 2620-C-19-7, 2620-C-12-7 and 2620-C-20-7)**

Public hearings for this project continued in September. Sessions were held in Fort Providence on 25 and 26 September; High Level on 27 September; and Hay River on 29 and 30 September. A planned hearing date for 28 September in Trout Lake was cancelled at the request of Chief Deneron of the Sambaa K'e Dene Band. Public hearings will continue in early October with sessions in Déline, Wrigley and Fort Simpson.

On 8 August, the Mackenzie Explorer Group (MEG) filed an application with the Federal Court of Appeal for leave to appeal the NEB ruling on MEG's motion #10, which the NEB issued on 10 July 2006.

On 6 September 2006, the Board issued Procedural Update #11 for this hearing. This update confirmed dates for hearing sessions in some locations, within the main overall planned timeline.

The Board anticipates that the evidentiary portion of the hearing will be completed in December 2006.

Hearing Decision Pending

1. **Terasen Pipelines (Trans Mountain) Inc. (Terasen) – TMX Anchor Loop – OH-1-2006 (File 3200-T099-1)**

The Board held a public hearing to review an application by Terasen to construct and operate the TMX Anchor Loop Project on 8 August through to 10 August, at the NEB offices in Calgary.

The TMX Anchor Loop Project would consist of 158 kilometres of pipeline loop and other facilities

to increase the capacity of the Trans Mountain pipeline by approximately 6,360 cubic metres (40,000 barrels per day). The anticipated cost of the project is \$400 million.

2. **TransCanada PipeLines Limited (TransCanada) – Application to change the tariff on the Mainline natural gas pipeline – RH-1-2006 (File OF-Tolls-Group1-T211-2006-06 01) (4775-T001-1-31)**

The Board held a public hearing from 18 to 22 September in Toronto and continued this hearing in Calgary from 27 to 29 September.

TransCanada's is applying to change the tariff on its 14,898 kilometres Mainline natural gas pipeline. The proposed tariff changes would allow TransCanada to implement two new short notice services intended to meet the needs of gas-fired electrical power generators: Firm Transportation – Short Notice and Short Notice Balancing.

Hearings Scheduled

1. **TransCanada PipeLines Limited (TransCanada) and TransCanada Keystone GP Ltd. (Keystone) – transfer of certain pipeline facilities from TransCanada to Keystone – MH-1-2006 (File OF-Fac-G-T241-2006-01) (3400-T241-1)**

The Board will hold a hearing, scheduled to start on 23 October 2006, at the NEB offices in Calgary. This Hearing Order was released on 21 June 2006.

TransCanada is applying to transfer certain public facilities to Keystone and also seeking approval to reduce the Canadian mainlines base rate by the net book value of the transferred facilities. The facilities consist of approximately 860 kilometres of 864 millimetre pipeline between Burstall, Saskatchewan and Carman, Manitoba. The transferred facilities would be used for crude oil transmission, subject to an additional application by Keystone to operate oil facilities and build connecting facilities.

2. **Emera Brunswick Pipeline Company Ltd. (EBPC) – Brunswick Pipeline Project – GH-1-2006 (File PA-MNP 2006-001)**

The Board will hold a public hearing starting 6 November 2006 at the Hilton Saint John Trade and Convention Centre in Saint John, New Brunswick. This Hearing Order was released on 9 June 2006.

EBPC is proposing a 145 kilometre 762 millimetre diameter pipeline from the Canaport™ Liquefied

Natural Gas Facility at Mispic Point in Saint John, New Brunswick to a point on the international border near St. Stephen, New Brunswick.

Preliminary Information Packages (PIP)

1. *TransCanada Keystone Pipeline GP Ltd. (Keystone) – Preliminary Information Package (File OF-Fac-Oil-T241-2006-01 01)*

On 10 July 2006, the Board received a Preliminary Information Package (PIP) filed by Keystone. The intent of the PIP is to trigger the environmental assessment process pursuant to the *Canadian Environmental Assessment Act (CEA Act)*. Keystone has indicated it intends to file a section 52 application with the NEB late in 2006.

The project is a proposed crude oil pipeline from Hardisty, Alberta to markets in Illinois, U.S. and anticipates constructing 373 kilometres of new oil pipeline. The U.S. portion is over 1,700 kilometres of new oil pipeline through six states.

2. *Enbridge Pipelines (Westpur) Inc. (Enbridge) – Proposed Alida to Cromer Capacity Expansion*

(ACCE) Project (File OF-Fac-Oil-E103-2006-03 01)

On 7 September, Enbridge filed a Preliminary Information Package (PIP) with the NEB. The intent of the PIP is to trigger the environmental assessment process pursuant to the *Canadian Environmental Assessment Act (CEA Act)*. The PIP has been submitted in advance of the Board receiving an application for the proposed ACCE Project under Section 52 of the *NEB Act*. Enbridge has indicated it plans to file the application with the Board in October 2006.

The ACCE Project will consist of the construction of a 60 kilometre 168.3 millimetre (mm) OD pipeline to transport natural gas liquids (NGL) from Alida, Saskatchewan to Cromer, Manitoba. Once this new pipeline is commissioned, an existing and adjacent 323.9 mm OD Westpur pipeline from Alida to Cromer will be converted to transport crude oil rather than the NGL it currently transports. The estimated capital cost of the ACCE Project is approximately \$12 to \$14 million.

Non-Public Hearing Applications

Electricity Matters

Matters Completed

1. *Susquehanna Energy Products, LLC (SEP) – Electricity Export (File CF-IE-Elec-S375 01)*

On 22 September, the Board approved SEP's application to export firm and interruptible power and energy at points on the international boundary between Canada and the United States over any international power line. This export permit commences on 22 September 2006 and ends on 22 September 2016.

2. *Lehman Brothers Commodity Services Inc. (LBCS) – Electricity Export (File OF-EI-Elec-L057 01)*

The Board has approved the application by LBCS to export firm and interruptible power and energy at points on the international boundary between Canada and the U.S. for a term of 10 years. The permit commences on 22 September 2006 and ends on 21 September 2016. The Board approved two permits, one each for firm and interruptible exports. The quantity of power that is

exported will not exceed 1,000 megawatts in any consecutive 12-month period.

3. *Cinergy Marketing & Trading LP (Cinergy) – Electricity Export (File OF-IE-Elec-C909 01)*

The Board approved Cinergy's application to export electricity from Ontario to the U.S. on 26 September. This is a 10-year permit that commences on 26 September 2006 and ends 25 September 2016. The Board approved two permits, one each for firm and interruptible exports. The Board's decision outlined that the quantity of power that is to be exported will not exceed 1,000 megawatts.

Matters under Consideration

1. *Montana Alberta Tie Ltd. (MATL) – Construct an International Power Line (IPL) from Lethbridge, Alberta to Great Falls, Montana (File AFIP-L-MAT-01)*

On 21 December 2005, MATL applied for approval to construct an IPL from Lethbridge, Alberta to Great Falls, Montana. MATL also proposes to construct a new 230 kilovolt substation and a

phase shifting transformer to control the direction of the flow of power near Lethbridge. The proposed IPL would be capable of transferring up to 300 megawatts of power in either direction. The Board is continuing the information request process with MATL. On 14 June 2006, MATL submitted revisions to its preferred route and project design changes. The estimated length of the transmission line is now 347 kilometres. On 4 July, the Board indicated that it is of the opinion that MATL must substantially update its original application and submit information pertaining to the revisions.

2. Yudinn Energy Inc. (Yudinn) – Electricity Export (File A-P-YEI 01)

On 28 March 2006, Yudinn applied for permits to export up to 204 megawatts of firm power and 894 gigawatt hours of energy per year for a period of 25 years. On 10 August, the Board requested Yudinn provide further information on the key steps for the environmental review processes that are being sought. Yudinn responded on 17 August 2006.

On 25 September, Yudinn requested that the Board either grant the application or provide a reason as to why it cannot make a decision. Yudinn requested that the Board provide this response within 15 days.

3. New Brunswick Power Generation Corporation (Genco) – Electricity Export (File OF-EI-Elec-N103 01)

On 22 June 2006, Genco applied for permits to export up to 1,124 megawatts of excess electrical capacity and up to 9,846 gigawatt hours of excess electrical energy on a firm or interruptible basis with a requested duration period of 10 years.

On 31 August the Board asked Genco for additional information on the application and Genco responded to the Board's request on 6 September.

4. British Columbia Hydro & Power Authority (BC Hydro) – Electricity export (File OF-EI-Elec-B215 01)

On 27 July 2006, BC Hydro applied for a permit to continue exporting firm power and energy as a border accommodation to Tongass Power and Light Company (Tongass), a company that distributes power to customers in Hyder, Alaska. The permit BC Hydro is applying for would be a 10-year export permit. The Board approved an extension of the original permit to 31 December 2006. The application for a 10-year permit extension is still pending a Board decision.

Frontier Matters

No new applications were received in September under section 5.1(b) of the *Canada Oil and Gas Operations Act*.

All other applications are still being reviewed.

Two new applications for a geological, geophysical or geotechnical operation authorization was received in September. Two new applications were approved pursuant to section 5.1(b) of the *Canada Oil and Gas Operations Act*.

Company	Area	Operation ID	Date
Paramount Resource Ltd.	Paramount Long Line Gravity Survey Kelly Lake NWT 2006	9222-P225-001E	19 Sept 2006
Husky Oil Operations Limited	Husky Airborne Gravity Survey Summit Redstone Area of the Sahtu Region	9222-H109-001E	22 Sept 2006

Outstanding applications are being reviewed.

Pipeline Matters

Matters Completed

1. Section 58 Applications

The Board has approved applications under Section 58 of the *National Energy Board Act* involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. See Appendix 1.

2. Westcoast Energy Inc. (Westcoast) – Application concerning the Abandonment of the North Rigel Pipeline (File OF-Fac-Gas-W102-2006-03 01)

On 21 September, the Board approved Westcoast's application regarding the abandonment of the six-inch North Rigel Pipeline from MP 0.0 to MP 0.36. Westcoast had applied for this under section 74 (1)(d) of the *NEB Act* on 18 April 2006.

Matters Pending

1. Enbridge Pipelines (Westspur) Inc. – Application for construction of Midale Terminal Capacity Expansion Project (File OF-Fac-Oil-E103-2006-02 01)

On 21 July, Enbridge filed a Section 58 facilities application to construct the Midale Project, and requested exemption from the provisions of Sections 29 to 33 and from Section 47 of the *NEB*

Act. Enbridge anticipates that forecasted increases in crude oil production in southeast Saskatchewan will bring current volumes beyond pipeline capacity in fall 2006. The Project involves upgrades to existing pumping facilities at the Midale Terminal and a new booster facility, the Bryant Booster Station, for which Enbridge has obtained land. The projected cost is \$3,398,400 and proposed in-service date is as early as October 2006 after 8 to 10 weeks of construction work after approval.

3. Burlington Resources Canada (Hunter) Ltd. (Burlington) - Pipeline Construction (File A-FP-PA-BRH 2006 1)

On 15 March 2006, Burlington applied to construct an interprovincial 9,900 metre 273 millimetre diameter natural gas pipeline in the Hiding Creek Gas field located approximately 65 kilometres east of Tumbler Ridge, British Columbia and approximately 40 kilometres southwest of Beaverlodge, Alberta. The estimated cost of the project is \$2.6 million.

Traffic, Tolls and Tariffs Matters

Matters Pending

1. Westcoast Energy Inc. carrying on business as Duke Energy Gas Transmission (Westcoast) – Amended Application for Approval of a Settlement for 2006 and 2007 Tolls [File ATT-AFT-WEI 19 (4200-W005-19)]

On 21 June 2006 the Board received Westcoast's amended application filed pursuant to Part IV of the *National Energy Board Act*, for approval of a negotiated settlement of final tolls for mainline transmission services on Zones 3 and 4 for 2006 and for approval of a methodology for setting 2007 tolls.

2. Alliance Pipeline Ltd. (Alliance) Application for Tariff Amendments and Extension to 60-day Advance Filing Requirement [File OF-Tolls-Group 1-A159-TFGen 01 (4775-A159-1)]

On 1 August, Alliance submitted an application for tariff amendments that would enable excess capacity to be auctioned off. It also applied for an exemption to the 60-day advance filing requirements for the tariff amendments.

On 15 September the Board sent a letter to Alliance stating that they would be seeking comments from interested parties with respect to the application. Interested parties were directed to file comments with the Board and provide a copy to Alliance by Friday, 22 September and Alliance was to respond to these comments by Friday, 29 September.

Alliance submitted a letter to the Board on 28 September outlining that the company was withdrawing its proposed tariff amendments application, but would re-file at a later date.

Appeal

Appeal Pending

1. Flint Hill Resources – Application for Leave to Appeal – RH-1-2005

Flint Hill Resources applied to the Federal Court of Appeal for leave to appeal the Board's decision of 28 April 2005 in which it approved two applications from Enbridge Pipelines Inc.

to recover, in its Canadian pipeline tolls, US\$20 million per year for five years related to the extension of service on the Spearhead Pipeline which runs from Chicago, Illinois to Cushing, Oklahoma and an initiative by Mobil Pipe Line Company to reverse the flow of its pipeline which runs from Patoka, Illinois to Corsicana, Texas.

Regulations Under Review

This section lists the statutory instruments that the NEB currently has under review and is proposing changes to. Details on the issues relating to the regulation and the progress on each project can be found on the Board's web site at www.neb-one.gc.ca.

Regulations under the *National Energy Board Act*:

Instrument	Issues
<i>Onshore Pipeline Regulations (OPR-99)</i>	- Including the concept of decommissioning - Implementing pipeline security management programs

<i>Processing Plant Regulations</i>	- Including the concept of decommissioning - Implementing pipeline security management programs
<i>Damage Prevention Regulations</i>	<i>New regulations replacing the Pipeline Crossings Regulations Part I and II</i>
<i>Cost Recovery Regulations</i>	Change the way costs are recovered from the electricity industry and change from a calendar to fiscal year basis
<i>Submerged Pipeline Regulations</i>	New regulations

Regulations under the *Canada Oil and Gas Operations Act* and the *Canada Petroleum Resources Act*:

Instrument	Issues
<i>Diving Regulations</i>	Update and make goal-oriented and create guidance notes
<i>Drilling Regulations & Production and Conservation Regulations</i>	Amalgamate into the <i>Drilling and Production Regulations</i> and associated guidance notes; update and make goal-oriented

Administrative Matters

Scheduled Energy Market Assessment for 2006

Short-term Canadian Natural Gas Deliverability, 2006-2008

This report will examine the factors affecting Canadian natural gas production, and will present an outlook for deliverability to the end of 2008. Natural gas production in Canada comes mainly from the Western Canada Sedimentary Basin (WCSB), with some additional production from Atlantic Canada. The report is expected to be released in October 2006.

Winter Energy Outlook

The NEB will be hosting a Winter Energy Outlook briefing for media on 31 October. This briefing marks the second Energy Outlook hosted by the NEB; a Summer Energy Outlook was held in June 2006. Information on the key messages and the presentation will be available on the NEB's web site following the presentation. Please check the "What's New" section on www.neb-one.gc.ca.

Appendix I

Section 58 Applications

Pipelines

Applicant	File/Order	Application	Est. Cost
Teresen Pipelines (Trans Mountain) Inc.	File: OF-Fac-Oil-T099-2006-02-01 Order: XO-T099-05-2006	<i>Application for the construction of its 2006 Routine Capital Project</i> On 15 September, the Board approved Teresen Pipelines' application for the co-nstruction of the Routine Capital Project. This Project includes the upgrades to the Edmonton Terminal as well the Kamloops Petro-Canada Take-off facility.	\$13,626,000
Enbridge Pipelines Inc. (Enbridge)	File: OF-Fac-Oil-E101-1006-02 01 (3400-E101-75) Order: XO-E101-04-2006	<i>Application for Southern Access Upstream Expansion Stage 1A</i> On 5 September, the Board approved Enbridge's application to reconfigure the Enbridge pipeline system between Edmonton and Hardisty.	\$3,693,000
TransCanada Pipelines Limited (TCPL)	File: A-FA-PA-TCP 2006 1(3400-T001-250) Order: XG-T001-14-2006	<i>Application for 2007 Eastern Mainline Expansion</i> On 6 September, the Board approved TCPL's application to expand the Eastern Mainline. This would involve new construction on the St-Sebastien Loop in Quebec as well as facilities construction near Bowmanville, Ontario.	\$62,600,000

Instructions for Filing

Correspondence

All correspondence should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8, Fax: 403-292-5503.

Applications and other filings, number of copies to be filed

You may submit your application and other filings to the Board in one of two ways:

1. Electronically: use the Submit a Document option on our web site and mail (see address above) or fax one (1) copy of your documents, or
2. mail twenty-five (25) copies of your documents.

Additional information on filings

Filings and types of documents that can be filed electronically and creating PDF documents: see *Filer's Guide to Electronic Submission* (http://www.neb-one.gc.ca/efile/guide_e.pdf).

Applying electronically to participate in a hearing and using on-line forms: see *Submit a Document* (http://www.neb-one.gc.ca/efile/index_e.htm).

Templates providing alternative ways to file your documents and assistance with the provision of multiple copies due to undue financial burden: see *Can't Submit Your Document Electronically?* Procedure for Sending Hard Copies (http://www.neb-one.gc.ca/efile/forms/paper_e.htm).

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Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

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